

Mr Nkomo returns to a hero's welcome

Mr Joshua Nkomo, co-leader of the Patriotic Front, emphasized the need for peace and reconciliation when he returned yesterday to Southern Rhodesia after more than three years in exile. He was given a tumultuous reception at a rally in the black township of Highfield, near Salisbury.

Call for reconciliation between rival groups

From Nicholas Ashford Salisbury, Jan 13

Mr Joshua Nkomo, co-leader of the Patriotic Front guerrilla organization and president of the Zimbabwe African People's Union (Zapu), returned to Salisbury today after more than three years in exile, to a hero's welcome from his supporters.

At a large and emotional welcoming rally at the Zimbabwe Grounds, in the black township of Highfield, near Salisbury, Mr Nkomo called for peace and reconciliation between the groups who had been fighting one another during the past seven years of bush war.

It was a theme which he also emphasized during an airport press conference, excerpts of which were seen on television tonight by the nation's 250,000 white minority who were held Mr Nkomo responsible for the shooting down of two Air Rhodesia civil aircraft within the last 18 months.

Mr Nkomo also told his supporters of the need for unity and made it clear that he intended to contest next month's election under the banner of the Patriotic Front and not Zapu, even though Zapu's partner in the Front, the Zimbabwe African National Union (Zanu), headed by Mr Robert Mugabe, has said it will fight the election separately.

The Zapu leader called on Britain to enlarge the Commonwealth peace monitoring force from 1,200 men to more than

5,000 to prevent confrontation between the security forces and Patriotic Front guerrillas during the ceasefire. He "unreservedly condemned" the killing of seven of his Zimbabwe People's Revolutionary Army (Zipra) guerrillas by the security forces last Thursday and called on Britain and Lord Soames, the Governor, to ensure that similar incidents were avoided.

Mr Nkomo arrived in Salisbury three hours late because the Zambia Airways jet in which he was travelling developed mechanical problems. He was accompanied by senior Zapu officials, including Mr Joseph Chinema, the vice-president, and by about 50 young men and girls, dressed in the party colours of red, green and yellow, described as "refugees" who had been living in camps in Zambia.

Mr Nkomo was taken to the Highfield rally in a Puma helicopter belonging to the moni-



Mr Nkomo arriving to address the Zapu rally at the black township of Highfield.

toring force—a move which was condemned by Bishop Abel Muzorewa, leader of the United African National Council (UANC), who said the force should not make such facilities available to any party for a political purpose.

The crowd at the Zimbabwe Grounds was estimated at between 100,000 and 150,000, more than twice as many as at last week's rally addressed by Bishop Muzorewa. Zapu officials said that the figure would have been even greater if restrictions had not been placed on the number of trains and buses the party was able to use to transport supporters.

Mr Nkomo, who showed he had lost none of his oratorical skills during his exile, was loudly applauded when he told the crowd that the Patriotic

Front had been created for the people of Zimbabwe as a whole and that they were marching to independence under the Patriotic Front's banner.

At his airport press conference, Mr Nkomo called on all Rhodesians to "crush racism" and in particular asked blacks to "crush sectionalism and tribalism."

He called on all forces, no matter who they were, to "say that the war is over. That there is a ceasefire and the ceasefire must be turned to peace. It is not just a ceasefire for a period which is then allowed to erupt. It must be a ceasefire that ends in independence, peace and tranquility."

Mr Nkomo was clearly disturbed by last Thursday's shooting incident near Lupatse, not simply because his men were the victims but because he

feared that this could lead to a steady erosion of the ceasefire. As he understood the Lancaster House agreement, he said, both the Rhodesian forces and the guerrillas should remain in their designated bases or assembly areas.

In his view it was the role of the monitoring force to ensure that they stayed there and were not allowed to confront each other. This was why he was now calling for the "lamentably small" Commonwealth force to be enlarged.

He hoped that Britain would heed the international community's criticism of its handling of the situation. However, he avoided making any outright condemnation of Britain, or Lord Soames, with whom he hopes to have talks soon.

Nyerere accusation, page 4

Mr Brezhnev denies aggressive designs on Iran or Pakistan

From Michael Blyson Moscow, Jan 13

President Brezhnev today called the United States an absolutely unreliable partner in international affairs and said the Russians could manage perfectly well without any ties with the Americans.

In a full front-page statement to the party newspaper *Pravda*, he responded to President Carter's acts of retaliation for the Soviet intervention in Afghanistan, by declaring that the American leadership appeared to be prompted by whim, caprice or emotional outbursts.

However, the statement was made more in sorrow than in anger. It was a tough defence of Soviet policies, and a condemnation of what the Soviet leader depicted as the irresponsible policies of the Americans. But at no time did Mr Brezhnev threaten any counter-retaliation, or accept the idea that Soviet-American relations must now go back into a deep freeze.

He said the national interests or security of the United States and other states were not affected in any way by the events in Afghanistan. "The allegations are also absolutely false that the Soviet Union has some expansionist plans in respect of Pakistan, Iran or other countries of that area."

"The policy and psychology of colonialism is alien to us. We are not coveting the lands or wealth of others. It is the colonialists who are attracted by the smell of oil."

When he turned to Europe — in marked contrast to his sharp words about the United States — Mr Brezhnev said he was optimistic. Much progress had been made in relations with Western Europe in the past decade, and Western Europe needed détente as much as Eastern Europe.

Analysts have already suggested that the Russians might now try to be particularly friendly to Western Europe in an attempt to divide the European members of Nato from the United States.

Mr Brezhnev said that much of a constructive nature could be accomplished in Europe for the good of peace in the near future.

The Soviet leader assured *Pravda* readers that President Carter's actions would not in fact be the Russians that Washington obviously hoped for. Cynical estimates

about the worsening of the Soviet food situation because of the grain embargo were based on "nonsensical notions about our economic potential". "In particular, I can assure that the plans of providing the Soviet people with bread and bakery products will not be lessened by a single kilogramme." Mr Brezhnev did not say anything about meat.

Such unilateral measures, he went on, were "tantamount to serious miscalculations in politics" and would rebound on their initiators.

Mr Brezhnev did not mince his words in denouncing Washington's policies. The world now believed, he said, that the United States was capable at any moment of violating its international obligations, and cancelling treaties and agreements signed by it. This had a "dangerous destabilizing impact" on the entire international situation. The beginning of the 1980s had marked a "noticeable deterioration in this, and the Americans were to blame."

"The blame is on all those who see in the relaxation of tension an obstacle to their aggressive plans, to whipping up militaristic psychosis, to interference in the internal affairs of other peoples."

"The blame is on those who have a deeply ingrained habit of behaving in a cavalier manner with other states, of acting in the international arena in a way as though everything is permitted them."

Mr Brezhnev said that the Salt 2 treaty would have opened the way to big steps in the field of disarmament. It was supported by all the world, including America's Nato allies.

"What did the Carter Administration do with it? Hardly was the treaty signed when people in the United States began discrediting it. As to the process of ratification, the opponents of the treaty—not without the connivance of government circles in the United States—actually began using it to complicate the treaty's ratification to the utmost."

America was using Afghanistan as a pretext to aggravate the situation in the world, he continued. It was not the real cause of the present difficulties, and if there was no Afghanistan, America would have found another pretext.

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'Green giant' faces a fight on banks of the Thames

By Frances Gibb

Henry Moore, OM, CH, the sculptor, has joined the fight by conservation groups against a 500ft high tower block of flats, offices and exhibition space planned at a cost of £40m for the south bank of the Thames at the end of Vauxhall Bridge opposite the Tate Gallery.

Mr Moore makes a scathing attack on the block in written evidence to an inquiry which reopens tomorrow. European Ferries, the property and shipping company, owns the site.

Mr Moore criticizes the suggestion that the Tate should use the exhibition space at the base of the building, which it has been offered at a peppercorn rent, to house the Turner bequest.

The proposal to house the Turner gallery in the big toe of the green giant (the building is to be made of tinted glass) is an insult to one of England's greatest artists, Mr Moore says. He is a member of the Turner Society, which is fighting for a gallery to house the bequest.

The Tate has not said whether it will accept the offer of the exhibition space, valued at £3m, but the society fears that it will.

The inquiry, being held by the Department of the Environment, reopens at Brixton Town Hall for its final four days.

Backing the Turner Society are various other groups, including the River Thames Society, the Westminster Society and the Friends of Chelsea, which has among its members Sir John Betjeman and Yehudi Menuhin.

Lady Wynne-Jones, joint chairman of the Friends of Chelsea, says the building "will dwarf Parliament, Lambeth Palace and Big Ben into virtual insignificance."

Every other historic city centre, such as Paris, Madrid, Rome and Leningrad, had been proclaimed conservation areas. Her group was pressing for the five miles of the Thames running through the centre of London to be preserved.

The proposed building would also destroy social amenities, she says. Other city river banks were used for hospitals, walks, restaurants and housing. "That this twentieth century eyesore should become a national landmark in historic Westminster and Chelsea is a most outrageous act of vandalism."

Mr Keith Wickenden, Conservative MP for Dorking and executive chairman of European Ferries, says that the building's design, by Abbot Howard, the architect, had been warmly praised by Sir Peter Shepherd, the leading architect, who had said it would be one of the most distinguished high-rise buildings in London.

It is proposed to build 100,000 sq ft of flats and 370,000 sq ft of offices, with the exhibition space occupying the equivalent of the first two to three floors, Mr Wickenden said.

It would not spoil the look of the south bank, which, he said, could hardly look any worse than it does.

"I feel that it is a good-looking building, and anyone who says it is a disgrace is a model has come away quite enthusiastic."

Orphaned at 5. On the streets at 6.

In Bangladesh, one of the poorest countries on earth, is a town called Chittagong.

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Railwaymen name price for higher productivity

By David Felton

Labour Reporters The Union leaders are to meet the British Railways Board today to discuss their proposals for a "railwaymen's charter" involving £300m, the price the unions have set on cooperating with wide-ranging productivity plans.

The charter includes claims for a shorter working week, increased holidays and improvements in basic rates of pay.

Mr Sidney Weighell, general secretary of the National Union of Railwaymen, said last night: "We are hoping that we can make some progress on our submission. If this is possible, we have said that we are prepared to look at everything and anything that the board would like to do to increase productivity."

The unions have some sympathy with British Rail's financial position. Its cash limits have been reduced from £730m this financial year to £715m because of public spending cuts, and it was hauled up at the beginning of this month.

At the end of last week a senior finance official met the NUR executive committee to explain the extent of the financial difficulties.

The NUR, however, in return for a productivity deal, wants a significant improvement in railwaymen's pay and working conditions so that people can be attracted to the industry. There are 12,000 vacancies.

National pay negotiations are due to begin next month. The annual agreement is due for settlement in April, but the union seems reluctant to submit a claim immediately.

Developments in the steel dispute and the power workers' and postmen's pay negotiations will be carefully monitored before a final claim is formulated.

The unions are likely to use the miners' pay settlement as a guideline and submit a claim of 20 per cent or more. In a move to head off an immediate confrontation, British Rail has agreed to the consolidation into six areas of a £2 supplement which had been agreed at the Railway Staffs National Tribunal.

Although the supplement will not be consolidated until March, payments will be backdated to January 1.

IRA bomb dump discovered

IRA bombs weighing a total of 700lb were discovered on Sunday just south of the border near Dundalk, Co. Louth. The discovery, announced yesterday, is one of the security force's biggest hauls. Explosives packed in 10 drums, detonators and 100 devices were also found in the deserted farmhouse.

Talks at Acas raise steel strike hopes

As the national steel strike is about to enter its third week there is cautious optimism that talks this week between the unions and the Advisory, Conciliation and Arbitration Service might produce a framework for the reopening of negotiations for the 90,000 striking members of the Iron and Steel Trades Confederation are putting strong pressure on their

Israel's envoy to Egypt named

Dr Eliahu Ben Elissar, the director-general of the Prime Minister's Office, has been named as Israel's first Ambassador to Egypt. He has taken part in the peace negotiations and had the Cairo "hot line" connected to his office.

Burgess and M15 in Blunt plot

Professor Anthony Blunt tried to persuade M15 to recruit Guy Burgess during the last war. At the time, M15 often new members and Fleming recommended but Burgess's outlandish reputation had preceded him and it was Mr Guy Liddell who scotched Professor Blunt's attempts to have him recruited into the organization.

Tito operation successful

President Tito, aged 87, was making a good recovery after an operation to clear a blockage in an artery in his left leg. But the President's illness is causing anxiety to Yugoslavs worried by Russia's designs on their country.

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Letters: On a third London airport, from Lord Beaumont of Newmarket; on Civil Aviation Authority, from Sir William Hayer; on the 1981 Census, from Mr Robert M. White.

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Putting engineers back on roo, by John Lyons; Eric Heffer's column; Dan van der Vat on Headrow.

Sport, pages 5-7

Motor racing: Alan Jones wins Argentine Grand Prix; Tennis: Wimbledon; Football: England vs. Scotland; Rugby Union: Did chosen as an England replacement; Edinburgh win Scottish districts' title; Sports Council: Jeeps mission arrives in South Africa; Squash rackets: England retain home championships.

Mrs Castle on Labour disputes

The antagonism of Mrs Barbara Castle for Mr James Callaghan who did not include her in the Labour Government when he took over as Prime Minister from Sir Harold Wilson, is indicated in the first instalment of her diaries published in *The Sunday Times*. She describes wrangles in Cabinet over incomes and trade union policy.

Energy fund call to help families

An energy fund should be set up from the profits from fuel price increases, the chairman of the consumer councils in the gas, electricity and coal industries suggested. The fund could help families who have difficulty meeting heating bills.

Role of DPP: Inquiry urged by MP after Peach and Kelly cases

Labour spokesmen: Full list of Shadow Cabinet and front-bench spokesmen.

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E. C. Hodgkin reviews *The Past We Share*, by E. L. Ramey; Irving Wardle on *Start Right* (Young Vic); Ned Chatter on *Long Voyage Home* (Cottesloe); Paul Moor reviews *The Merry Widow* in Berlin.

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Miss Barbara Pym, Mr Maurice Reckford, Walter Crane, Business News, pages 15-20.

Financial Editor: Stamp duty without exchange control; special steels in the firing line

Business features: Robin Young on the call for changes in consumer law; cost of the state pension scheme examined by Raymond Noddy; David Hewson looks at prospects for the fourth television channel; Business management: Recruitment of graduates; company training schemes; redundancy and dismissal law.

'They shoot Russians' a wounded young paratrooper said with incredulity Soviet convoy ambushed in icy Salang Pass

From Robert Fisk

Salang, Afghanistan, Jan 13 We were half-way up the Salang Pass, 80 miles from Kabul, when our car skidded on the ice and a young paratrooper from the Soviet 105th Parachute Division ran down the road waving his automatic rifle at us and shouting in Russian.

He had been wounded in the right hand and blood was seeping from the neat round bullet-hole through his makeshift bandage and staining the sleeve of his battle dress.

He was only a teenager, with fair hair and blue eyes and a face that showed apprehension.

He had clearly never been under fire before.

Beside us a Soviet Army transport lorry, its rear section blown to pieces by a mine, lay up-ended in a ditch. The Russians had been ambushed in the Salang Pass. There were two trucked armoured personnel carriers just up the road, and a Russian paratrooper captain ran down towards us to join his colleagues.

"Who are you?" he asked in heavily accented English. He was dark-haired and tired, dressed in a crumpled paratrooper tunic and with a hammer and sickle badge on his belt.

We told them we were correspondents, but the younger soldier was too absorbed with the pain from his wound. He relaxed sufficiently to raspily the catch on his rifle, then lifted up his hand for our inspection. He raised it with difficulty and pointed to a snow-covered mountain peak above us where a Russian military helicopter was circling slowly.

They shoot Russians, he said. The fact seemed to have produced in him only incredulity. Just how many Russians the Hindu Kush have shot in the Salang Pass, no one knows, although a villager one mile further south insisted with undisguised relish that his comrades had killed hundreds of Soviet troops.

There have certainly blown up mountain bridges in the past, and for almost 24 hours half of a Soviet convoy was marooned in the snow at an altitude of more than 7,000ft on its way south to Kabul from the Soviet frontier.

The bridges have now been repaired temporarily by Russian engineers, and we watched as the trapped convoy made its way down from the mountains, slithering on the slush and

Continued on page 4, col 7

Labour Party told that it should reveal extent of Trotskyist infiltration

By Michael Hatfield

Political Reporter Lord Underhill, former national agent of the Labour Party, yesterday indicated that he might publish his own wide-ranging investigation into the party if Labour's left-dominated national executive committee maintained its refusal to publish the detailed documentation he presented in 1977.

His requests for publication came at a time when *The Times* has received further and more up-to-date information on the activities of the "Militant Tendency", a clandestine Trotskyist organization, with its own full-time staff, whose aims are to penetrate the Labour Party.

The document, circulated among its supporters in October 1978, outlines its strategy, and sets out proposals on how to organize public meetings as part of its recruiting campaign. Without actually mentioning its paper, *Militant*, it states that the circulation is about 8,000, but there is a clear indication that not all of its sales workforce is returning the money to headquarters. Due to what it calls "lack of accounting" by some sellers the organization claimed to be losing £240 a week, or £12,000 a year.

Great store is set on the paper. The document states: "The paper is the most important armory we have for use in the labour movement."

"The responsibility is on each and every comrade to build the revolutionary party and the paper is the main tool in this work."

How far the tendency has penetrated the constituency parties—the Trotskyists already have a strong hold on the Young Socialists—is difficult to gauge, but Lord Underhill doubts that as many as 60 parties may be affected. He believes that they may have control of a small number, but he said in a BBC Radio World This Weekend interview yesterday, that he believed that 50 to 60 constituencies may have a



Lord Underhill: Evidence of extended influence.

number of people trying to build up influence. The document in the hands of *The Times* details the activities of the branches in the South-East Midlands. It reports: "The morale of most comrades is good and a confident mood exists within the tendency."

Much of the document is heavily theoretical, including bitter criticism of the Socialist Workers Party, a rival revolutionary organization, but this is part and parcel of the constant tribal warfare between the different tendencies. But in doing so, the Militant Tendency stakes out its own claims.

It states, for example, that "it is our tendency alone that has understood the loyalty that British workers instinctively have towards the Labour Party and that it is a movement of the class into it that will re-form it."

"Far from workers moving outside and against the Labour Party, history teaches us differently. Workers will not simply abandon their organizations. They will test and re-test them. This process is taking place before the eyes of the sects (rival Trotskyist groups) only they are too blind to see it."

HOME NEWS

Cautious optimism as steel union leaders prepare for talks with arbitration service

By David Felton
Labour Reporter

A series of meetings over the next three days will decide the direction of the national steel strike, which is about to enter its third week.

There is some cautious optimism that talks between the unions and the Advisory, Conciliation and Arbitration Service (Acas) may produce a framework for a reopening of negotiations, although it is unlikely that any important advance will be made in the immediate future.

Mr William Sims, general secretary of the Iron and Steel Trade Confederation, and Mr Hector Smith, leader of the National Union of Blastfurnacemen, are this afternoon to meet Mr James Mortimer, chairman of Acas, to set out their views on the strike.

Mr Mortimer has already met Sir Charles Villiers, chairman of the British Steel Corpora-

tion, and officials of the Transport and General Workers' Union and the General and Municipal Workers' Union. Mr Sims is coming under strong pressure from his 50,000 members on strike to widen the dispute, and there is some evidence that the ISTC leadership is having difficulty controlling the members, who are determined to make the strike as effective as possible.

Delegates representing the 15,000 ISTC members employed in the private sector steel companies are due to meet Mr Sims and other union officials tomorrow, when there will be moves to halt the private companies.

However, it is known that Mr Sims is reluctant to bring out his members in the private sector because he argues that the union has no dispute with the companies, as pay talks are still proceeding.

An ISTC executive meeting on Wednesday will be discuss-

ing future strategy for the strike and one possibility is a refusal to sanction a strike in the private sector and the lifting of the import blockade to put extra pressure on the BSC, which would see its markets being eaten away by competitors.

There is some scepticism in union circles about Mr Sims' statements in the North-east on Friday that his members were now talking about refusing to return to work for less than a 20 per cent offer. It was said last night that that was a reaction to the strong emotions surrounding the strike, and that the 13 per cent TUC-inspired compromise was still regarded as the basis for any future talks.

On the BBC 1 Panorama television programme tonight Mr Sims is to discuss the strike with Mr Robert Scholey, the BSC deputy chairman and chief executive.

Pickets aim to freeze supplies

By Nicholas Timmins

Secondary picketing in the steel dispute is likely to be stepped up this week as the steel workers increasingly leave only token pickets on the British Steel Corporation's plants and focus their attention on freezing steel movements generally.

Attitudes have clearly hardened, and strike committees report pickets volunteering for duty in increasing numbers. With the Government refusing to intervene, there is a feeling that many more are now prepared to take part.

Picketing of stockholders in particular is likely to increase, with the steelworkers aiming for the Channel ports later in the week, after their success in halting steel movements on the east coast.

The Southport strike centre says it sent more than 1,000 pickets on one day last week, and stockholders at Gainsborough and Lincoln have been added to the targets. Corby pickets will return to Metal Box, in Leicester, stockholders in Coventry and Milton Keynes, as well as to Rochester docks, in Kent.

A 50-strong picket is planned at a BSC stockholder in Grantham today.

Mr Michael Skelton, the Iron and Steel Trades Confederation strike coordinator, said at Corby yesterday that pickets were volunteering thick and fast. About 2,000 had now volunteered, including some who had previously crossed picket lines.

The more people are abused by the management, the Government and by social security, the more adamant they are that they are not going to give in," he said.

In Consett, co Durham Mr John Lee, the ISTC strike coordinator, said the number of pickets was growing steadily. Change in Scotland, said Mr Lee, the unions aim to prevent any steel leaving independent suppliers (our Glasgow correspondent reports).

Mr John Davidson, director of the CBI in Scotland, said the change of tactics was short-sighted and "a case of men factoring industry in Scotland required steel which means that one person in every three of the Scottish working population depends on steel for a job."

But Mr Arthur Bell, Scottish secretary of ISTC, said: "If we want the strike to bite, we have to prevent those on the perimeter from operating. It is the stockholders who are presenting us with great problems, for the amount they have in stock is fantastic."

Stockholders hope for less severe picketing

By Peter Hill
Industrial Editor

Britain's steel stockholders, who handle about 40 per cent of steel deliveries, hope that picketing of their operations by striking steelworkers will be moderated soon.

Their hope is based on correspondence between the National Association of Steel Stockholders and Mr William Sims, general secretary of the Iron and Steel Trades Confederation.

The association, whose 264 members represent the link between producers and consumers of steel, warned the stockholders at the beginning of the strike that disruption of deliveries from stockholders would only reduce the volume of orders which they would be able to place with the British Steel Corporation when the strike ended.

Mr Sims has told the association that it was not the intention of his union to interfere with stockholders or producers who were not involving their companies in the dispute or seeking to defeat the steel unions' action.

But the confederation leadership is having difficulty in restraining the activities of local strike committees. Several of them believe supplies from stockholders and private sector steelmakers will have to be blocked if the strike is to have any real impact.

Whitehall reckons that indus-

try has sufficient steel in stock to maintain production for at least three weeks. But the critical factor is stocks imbalance, where it may not be possible to replace a particular type of steel in short supply.

The industry's main worry this week is the possibility of steel produced by private steel producers being called out in support of the strike by their colleagues employed by British Steel. The confederation will discuss at a meeting tomorrow whether that step should be taken.

Widening of the dispute in that way would be a significant move.

Some private companies have become targets of picketing although they formally assured that since they were not dispute with the unions they would not seek to increase production to make good any shortfalls arising from the British Steel shutdown.

British Steel executives prepared a series of proposals on the finances of the loss-making corporation, early last month. They included writing off £1.2m of the interest burden and increasing the overall capital.

The proposals were prepared on the basis of acceptance of the corporation's redundancy plans. They will have to be revised after a final settlement.

Welsh miners give leaders power to call a strike

From Tim Jones
Cardiff

Miners throughout the South Wales coalfield voted yesterday to give their local leaders the power to organize a strike against steel job cutbacks and increases in colliery coal imports.

Faced with that decision the Wales TUC will meet today in Cardiff to decide whether to ignore the British TUC decision to postpone industrial action, and continue with an all-out strike, called for January 21.

National Union of Mineworkers delegates at the conference are expected to push ahead but representatives of the other industrial unions have become more cautious after the decision by the TUC nationalized industries committee in London.

The miners have made clear they will abide by today's Wales TUC meeting but will reserve

the right to act independently if the situation changes.

One of their leaders said yesterday: "If the British Steel Corporation attempts to import any foreign coal, then we will come out instantly. In the meantime we would prefer to follow a lead given by the British TUC so that unions nationally can act in harmony."

"It is likely that we will give the TUC a limit to coordinate industrial action, but if that was not forthcoming we would go it alone."

Those supporting a postponement today will point out that the nationalized industries committee threatened "serious industrial consequences" if the BSC did not delay its plant closure plans and hold talks. The miners fear that if BSC reduces its steel making capacity in Wales by hundreds of thousands of tons, they will have a loss of more than 14,000 jobs.

Opportunities extremely scarce. Plans to build a new steelworks site hold out the prospect of only 1,000 new jobs.

For skilled men in the craft trades there are jobs to be had in the near by Merseyside areas, but for unskilled workers the outlook is poor.

Unemployment throughout Merseyside averages about 13 per cent and is 30 per cent in some of the black spots. A recent survey by the Merseyside Development Office showed that more than 200 workers compete for every unskilled job.

At the Shotton plant British Steel and the Manpower Services Commission have opened a joint job consultancy and advisory service. So far about 2,000 workers due for redundancy have been interviewed.

Former minister's diaries indicate antagonism to Mr Callaghan

Mrs Castle tells of Cabinet wrangles in 1968

By Our Political Correspondent
Sir Harold Wilson, the former Labour Prime Minister, declined yesterday to comment at present on fascinating revelations made in her diaries by Mrs Barbara Castle, the former Cabinet minister, who is now leader of the Labour MP's in the European Parliament, about wrangles in Cabinet over incomes and trade union policy under his premiership in 1968.

Extracts from the diaries are being published by *The Sunday Times* and for the first time yesterday clearly indicated her antagonism to Mr James Callaghan, who was Home Secretary at the time and who did not acquiesce when he took over as Prime Minister from Sir Harold Wilson.

Mrs Castle relates that at a meeting of the Cabinet steering committee on the economic policy (SEP) on December 4, 1968, she argued for stronger import controls and a check on capital outflows which coupled with an imaginative budget, would enable the Government to operate a stringent incomes policy and continue to stimulate productivity.

First and foremost, she said, that would enable the Government to go for a higher growth rate and get a good favourable swing in the balance of payments, which she thought was an urgent priority.

Through all that, Mrs Castle says she could hear Mr Callaghan muttering and at one stage he whispered to another minister: "Do you think we can win the next election?"

Mrs Castle continued: "Suddenly he burst out into a great theme, the practical details of which were less clear than his utterly defeatist psychology."

The whole problem was that we were in a vicious circle and that our problems were insoluble.

He ended up by saying in his best dramatic dispatch box manner: "I think we are heading for defeat at the next election."

I think Jim Callaghan is the most disloyal and damaging



Mr Callaghan: "Disloyal and damaging." Mr. Roy Jenkins: "Fatal character." Mr. Denis Healey: "Muttering and stabbing." Sir Richard Marsh: "Appalling cynical defeatism."

member of the whole government," Mrs Castle adds.

Some Labour MPs said yesterday that Mrs Castle's comment on Mr Callaghan was predictable and they think there could be more attacks to come when she gets down to the Cabinet in-fighting over the fate of industrial relations legislation based on her White Paper, *In Place of Strife*.

In that dispute Mr Callaghan firmly lined up with the trade unions which opposed the idea of legislation.

Sir Harold Wilson and several other leading members of the party said yesterday that they would wait until they had seen the full volume of Mrs Castle's writings before they commented. But Mr Robert Mellish, MP for Bermondsey and Chief Whip in two Labour governments, defended Mr Callaghan as a man of great integrity; Mrs Castle disliked him intensely because he opposed her policy.

At every Cabinet meeting we had to listen to her going on about her great and brilliant *In Place of Strife*.

Mrs Castle was Secretary of State for Employment, in charge of consultations with the TUC and the CBI about the industrial relations proposals.

She recorded on December 7, 1968, that there were leaks

about Cabinet disagreements. "Roy Jenkins [Chancellor of the Exchequer] and Harold are supposed to be at each other's throats while Roy and I are quarrelling too. Our relations are reported as being 'raw and bitter'."

As Terry Pitt [head of the Labour Party research department] pointed out to me, the only person not quoted as quarrelling with me was Jim Callaghan, which seems to give a strong indication as to where the story comes from. Frankly, I believe Jim Callaghan is capable of it."

Earlier she had recorded that she would prevent premature leaks about her White Paper. "This means by-passing the Cabinet economic committee, on which there is more than one blitherer," she adds.

Mrs Castle relates how she discussed with Mr Richard Crossman the "squaring" or "fixing" of certain Cabinet ministers to favour Mrs Castle's plan for legislation. "Later, I rang Walter Rees [then Minister of Technology] about my proposals. He replied cheerfully: 'I'm your friend.'"

But at the left-wing Tribune Group she had a rough time. The balloons went up. I was accused of being a Tory for Salford, West, who was made Minister for Social Services in

the Callaghan administration could not see anything but the strengthening of the TUC or of national leadership—or even of the disciplinary powers of shop stewards. Some of our left are just anarchists."

That, coming from one who had earned a reputation as a left-winger, seems rather harsh. Mr Orme was not commenting on it yesterday.

Mrs Castle had incisive comments to make about a number of others. The late Anthony Crosland [then President of the Board of Trade] she accuses of softness and says of him and Mr Roy Jenkins: "I believe that as far as political leadership is concerned, he and Roy have fatal defects of character."

Of Mr Denis Healey [then Minister of Defence] she writes: "He spends a lot of time musing on the beach and snubbing viciously at his blitherer. I suspect his resentment against Harold is profound." (She says of Mr [now Sir] Richard Marsh then Minister of Transport: "He doesn't seem to have any feel for socialist ideas at all and he also has an appalling cynical defeatism.")

After a discussion involving the late Lord Mountbatten, Mrs Castle noted: "His criticism of my proposals is a crack of arrogance, arrogance, me."

David Wood's column, page 13

Mr Foot to lead Tories' strategy

By George Clark
Political Correspondent

MPs return to Westminster today after the Christmas recess and the first task will be to discuss the effects of the steel strike spread to other industries and the water workers threaten a national strike that would have serious consequences for public health.

An outburst is expected when Sir Keith Joseph, Secretary of State for Industry, makes his report on the steel dispute and repeats the Government's firm line that no further aid from Exchequer funds can be expected to ease the situation.

Ministers reaffirmed yesterday that the Government will not intervene. The matter is one for the British Steel Corporation and the unions.

Mr James Callaghan, leader of the Opposition, does not return from his visit to the United States until tomorrow, so the Labour attack on the Government will be led by Mr Michael Foot, the deputy leader of the party.

Speaking at Southampton on Saturday, Mr Foot said the Labour strategy of no-calls, non-intervention—no conciliation, ruthless monetarism, an acceptance of industrial decline and an insidious attack on trade union rights—was the most dangerous conspiracy the country had seen for decades.

"What is happening in the steel industry and the repercussions are going to cost this country lost jobs. Lost trade, lost skills, hundreds of millions of pounds poured down the drain," Mr Foot said.

In the Commons Mr John Ryman, Labour MP for Blyth, will try to ask an emergency question about the threatened strike by water workers.

Bitter struggle among Ulster Unionists

From Christopher Thomas
Belfast

Ulster's divided unionists are increasing sharply in the volatile political atmosphere surrounding the Government's constitutional conference on power devolution.

The Democratic Unionists, led by the Rev Ian Paisley, are maintaining a concerted propaganda attack on the Official Unionists in the knowledge that success or failure of the political initiative could determine which party becomes the main voice of the "loyalists."

Mr James Molloyneux, the Official Unionist leader, is by contrast almost silent as his bitter rivals continue their criticism. He remains convinced that his decision to boycott the conference will be justified by events.

The Democratic Unionist war of words was intensified by Mr Peter Robinson, the party's MP for Belfast East, who religiously follows Mr Paisley's reaction to events. He said the great divide was here. There was still room in the DUP for those who rejected the "ferociously anti-Stormont stance" of Mr Molloyneux.

The implication, frequently levelled by the DUP at Mr Molloyneux, is that the Official Unionist are becoming increasingly integrationist.

Mr Molloyneux denies the charge. He said: "If the constitutional conference fails, the blame will not be on the Official Unionists. The important thing is to get on and do what needs to be done."

Mr Thomas Montgomery, aged 46, a Protestant taxi driver, married with four sons, has died in hospital after being hit by a stone-throwing attack in the Ardara area of Belfast on Saturday.

Couple die as gate collapses at football ground

By David Nicholson-Lord

An inquest will be opened today on a man and his wife who died when a 10ft wooden gate collapsed on spectators after the end of the Middlesbrough - Manchester United league football match on Saturday.

The dead couple were Mr Norman Rowley, aged 51, and his wife Irene, aged 52. They were sitting in the stands at Middlesbrough's Ayresome Park ground. One was in hospital yesterday with shoulder and leg injuries.

A crowd of more than 30,000, the highest of the season, had seen the home side draw 1-1.

Spectators said the police appeared to be keeping Man-

chester United supporters back until the rest of the crowd got away.

Yesterday's crowd was well short of the ground's 42,000 capacity.

Mr Charles Amer, chairman of Middlesbrough, said there was no suggestion of foul play in the collapse of the gate. He was completely satisfied with police arrangements for controlling supporters.

Under the Safety of Sports Grounds Act, 1975, first division grounds have to possess a safety certificate issued by the local authority. Mr Amer said yesterday that a certificate was being issued by Cleveland County Council.

Wall accident: Four schoolboys were injured when a 5ft wall collapsed at Keighley Rugby League ground yesterday.

25 years ago

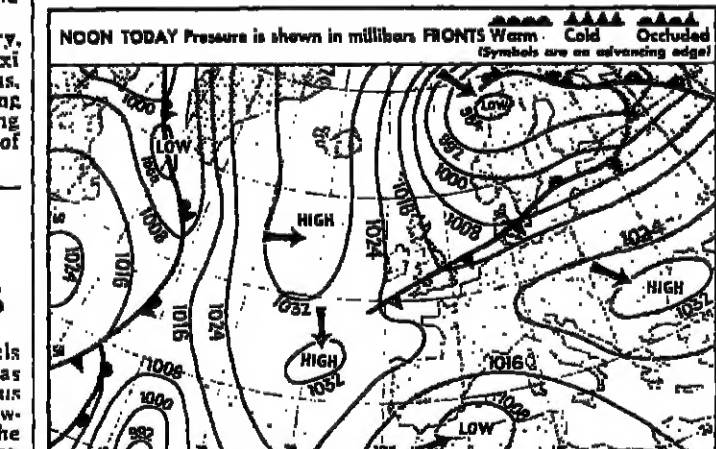
From The Times of Thursday, Jan 13, 1955

Eurovision link

A permanent two-way television link is to be established between London and the Continent. It was announced last night when Sir George Barnes, Director of Television Broadcasting, discussed future plans for the BBC's television service. He said that the successful series of European television programme exchanges dur-

ing 1954 fully justified the replacement of some temporary equipment which had been used in the experimental broadcasts. This was a step towards making a permanent regular feature in the programmes of European television services. The first section of the permanent link consisting of co-ordinated schedules between London and the Continent, and Sir Margaret's Bay would be ready for use before the end of the year. The next section would be a two-way radio link across the English Channel which would take about three years to complete.

Weather forecast and recordings



Today
Sun rises: 8.01 am
Sun sets: 4.18 pm
Moon rises: 4.12 am
Moon sets: 1.36 pm

Lightning on: January 17.
New moon: 4.48 pm to 7.30 am.
High water: London Bridge, 10.34 am, 5.8m; 11.8 am, 6.2m; Aconmouth, 3.38 am, 10.1m; 4.07 pm, 10.8m; Dover, 7.59 am, 5.6m; 6.39 pm, 5.7m; Looe, 2.30 am, 6.0m; 3.31 pm, 6.2m; Liverpool, 5.14 am, 7.8m; 8.38 am, 1.7m.
1m = 3.2808ft.

A touch of low pressure will move S across England and Wales a cold N airstream over Scotland and Ireland extending S behind it. Forecast for 6 am to midnight: London, SE, SW and central S, E, East Angles, E Midlands. Sunny periods after early freezing fog settles. Wind S, strong to some rain, becoming cloudy, with rain or sleet spreading S, snow on hills. W, light, veering N, moderate or fresh; max temp 4°C (39°F) to 5°C (41°F).

E and central N England, W Midlands, S Wales: Mostly cloudy, rain or drizzle, icy patches on roads at first, snow on higher ground, becoming mostly dry with bright or sunny intervals; max temp 2°C (36°F) to 4°C (39°F).

Orkney, Shetland: Sleet or snow showers, strong to severe gale; wind N, strong to gale; max temp 4°C (39°F) to 5°C (41°F).

Channel Islands: Sunny periods, becoming cloudy with rain or sleet; wind variable; light to heavy rain; max temp 5°C (41°F) to 6°C (43°F).

N Wales, Lake District, NE and NW England: Sunny intervals and showers, especially near coasts; turning wintry; more general cloud and rain at first; wind NW, moderate, veering N, increasing to strong; max temp 5°C (41°F) to 6°C (43°F).

Ile of Man, Border, Edinburgh, Dundee, SW Scotland, Glasgow, Ireland: Sunny intervals, rain or snow showers, moderate snow fall on hills, wind NW to N, fresh or strong; max temp 4°C (39°F) to 5°C (41°F).

Abertillery, central Highlands, Moray Firth, NE and NW Scotland, Argyll: Sunny intervals, frequent sleet or snow showers, moderate rain on hills; wind N, strong to gale; max temp 4°C (39°F) to 5°C (41°F).

Outlook for tomorrow and Wednesday: Cold, sunny intervals, wintery showers, chiefly in E, becoming dry in S with patchy overnight fog and frost; cloudy later in N, with rain or sleet.

WEATHER REPORTS YESTERDAY MIDDAY: c, cloud; f, fair; r, rain; s, sun; sn, snow.

Area	Temp	Wind	Cloud	Temp	Wind	Cloud
London	12	SW	100	10	SW	100
Birmingham	11	SW	100	9	SW	100
Manchester	10	SW	100	8	SW	100
Edinburgh	8	SW	100	6	SW	100
Glasgow	7	SW	100	5	SW	100
Dublin	9	SW	100	7	SW	100
Cardiff	11	SW	100	9	SW	100
Belfast	10	SW	100	8	SW	100
Newcastle	11	SW	100	9	SW	100
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HOME NEWS

Use of fuel profits to improve homes urged

By Robin Young
Consumer Affairs
Correspondent

The three chairmen of the consumer councils in the gas, electricity and coal industries today urged that large profits from fuel price increases should be earmarked by the Government for a special energy fund.

The fund they propose would receive the bulk of the huge profits the gas industry is expected to make after the 28.7 per cent increase announced at the weekend.

The chairmen, Mr David Trench, of the Domestic Fuel Consumers' Council, Mr Michael Barnes, of the Electricity Consumers' Council, and Professor Naomi McIntosh, of the National Gas Consumers' Council, insist: "These profits belong to the community as the owners of the nationalised energy industries."

They say the energy fund should be devoted initially to ensuring that every home is insulated to the highest standards, and to the replacement of obsolete heating systems, as in some local authority estates.

In the longer term they urge that the fund should be used to revitalise the coal industry to minimise dependence on oil and to develop alternative energy sources.

"To match this initiative," they say, "it should be the responsibility of the Government to make the short term to finance a comprehensive fuel allowance scheme to help people who would otherwise have difficulty meeting bills."

In their statement the consumer chairmen complain that the consumers' voice is not clearly heard when decisions about fuel prices are taken. They particularly deplore the closing of the Energy Commission, the only national forum for the discussion of energy.

They add that from the consumers' viewpoint "it is essential that large fuel price increases are phased in gradually. Their timing and frequency must bear some relation to the amount of disposable income."

Special help must be provided for disadvantaged customers, including those on, for reasons beyond their control, use a lot of fuel relative to their income.

Appeal for low paid: The low paid must be protected from the effects of big increases in heating bills, Dr David Owen, Labour Party spokesman on energy said on Saturday (the Press Association reports).

"We must have urgently a universal method of helping low-income energy consumers. Hundreds of thousands of people are literally shivering with cold this weekend because they could not afford to pay."

The Government's decision to cancel the electricity discounts was "one of the meanest and most damaging of all their expenditure cuts."

Digital recording experiment on radio to continue

The BBC is to resume more experimental digital recordings on Radio 3 and Radio 4 this month and next. The first broadcast of the system took place on Radio 3 on Christmas Day.

The recorded programmes are brought to Broadcasting House London by road and are sent from London to BBC radio transmitters throughout the United Kingdom through the BBC's digital transmission system, brought into operation in 1972 and the first of its kind.

They thus have the same quality of reproduction whether broadcast from the Kirk O'Shotts transmitter in Scotland, Wenvoe in Wales or from Wrotham in Kent.

Coffee breaks tea's ground

Coffee is catching up with tea as the British national beverage, with one cup of coffee being drunk for every three of tea against one to six in 1966.

"People now drink more than 70 million cups of coffee a day and we expect the market to grow by at least 4 or 5 per cent this year," Mr David Harris, marketing manager of Nestlé, the market leaders, said. Coffee consumption last year was worth £265m.



Gathering of the clans: Red deer on a snow-covered hillside near Aviemore, Highland.

Councils' hostility on finance worries Tories

By Christopher Warman
Local Government
Correspondent

A survey of Conservative-controlled local authorities shows that most have compiled with Government requests to cut their spending.

The survey, carried out by the Conservative Central Office, drew a response of about two thirds from the 456 councils in England and Wales. It discloses a general determination among Conservative authorities to achieve the target of a 3 per cent saving for 1979-80, by reducing either services or manpower.

By contrast, Labour authorities have opposed cuts. Several have refused to make any concession for increasing the freedom of using by balances or by other financial adjustments.

rather than cutting services. The Government's proposals for financing the system have cast a depression throughout local government and its apparently hostile attitude worries senior Conservative Party officials.

The local authority associations have protested strongly against the proposed new controls and individual council leaders have written to both Mrs Margaret Thatcher and Lord Thorneycroft, chairman of the party, expressing their concern at the Government's attitude.

They have not been convinced by the arguments of Mr Michael Heseltine, Secretary of State for the Environment, and Mr Tom King, Minister for Local Government, that their proposals for increasing the freedom of using by balances or by other financial adjustments.

clinging restrictions on capital spending and the introduction of a block grant system. Because of protests against the proposals from the associations, all of which are Conservative-controlled, and from individual party loyalists, Lord Thorneycroft, the minister of the organisation which saw the party back into power, is taking a close interest in the debate.

Local Conservative parties provide a base for national support, and with district council elections coming in May, the issue could assume considerable importance.

Conservative councils appear to be following Mr Heseltine's advice that the simple way to cut spending is to reduce manpower. He has advocated filling every four vacancies with three staff, which would achieve the Government's target.

The smaller councils find it very difficult to reduce their staff. But in Kirkcaldy, West Yorkshire, the council has made cuts of 10 per cent worth £2m and including a reduction of 500 staff. Bradford has cut the staff by 250 and expenditure by 21 per cent. Merseyside has reduced its spending by 5 per cent (£5m) and its staff by 533.

West Sussex by 584. Southampton City Council, since the Conservatives gained power in 1976, has managed to reduce the rates by 40 per cent. Mr Norman Best, leader of the council, said that had been done by a combination of reducing the capital debt, savings on manpower and by reducing services.

Mr Best believes that the Government's proposals will impose centralised requirements that will have the opposite effect of what it wants, that is, to curb the profligate spenders.

Lorries 'not an important cause of concern' to public

By Peter Waymark

The stationary National Freight Corporation has made a strong defence of the heavy lorry in face of what it claims is exaggerated criticism from environmental pressure groups.

In evidence to the Armington committee, which is examining lorries and the environment, the NFC says that the environmental problem may be much smaller than is alleged.

It doubts whether the public views lorries as an important cause for concern, although in some local areas road transport effects are serious, often because of the inadequacy of the road system.

The corporation, which employs 36,000 people and runs 30,000 vehicles, says the lorry is "far and away" the most important component of the country's freight transport system. That dominant role had come about in response to market needs.

It supports the industry's campaign for heavier lorries and says that an increase from 32 tons to 40 tonnes could save £40m in transport costs, including 25,000 tons of diesel fuel, 0.4 per cent of total consumption.

Environmental taxes on lorries would raise costs, and thus shop prices, without reducing the environmental nuisance, it claims.

Young ignorant about the world of work

By a Staff Reporter

The knowledge of most young people, including graduates, of the world of work is "generally deplorable", according to Dr Ronald Johnson, director of training at the Manpower Services Commission.

Speaking at a National Union of Teachers conference on Saturday, he urged that properly organized work experience should be integrated into the school work of those aged between 14 and 19.

"I am not convinced that it is good enough to leave this to be covered in the traditional curricula of our schools, and it seems to me that a new approach is required."

Mr St John-Stevens had pointed out that the arts were already seriously underfunded. "Second, the arts budget is so tiny compared with the education or health budgets that an increase of £10m, which would make very little difference in those services where costs are in thousands of millions, would transform the arts scene, receiving at present just over £50m."

"Conversely, any economies that could be made in the arts, like the film industry, would be a disaster for the country's well-being in much more than an economic sense."

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It took little time to destroy a great theatre, opera or ballet company, he said, spending to build up, but a long time to revive them; the deferment of a fair deal for the arts until the economy was right ignored their vital contribution to the national identity.

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Some courts '40 times less likely' to grant legal aid

By a Staff Reporter

Defendants are 40 times less likely to be granted legal aid in some magistrates' courts than others, a report published today says.

Between neighbouring courts the differences can be as great as 24 times, the Legal Action Group says. Even between police areas, each containing many courts, there are large differences.

A defendant in London, for instance, is five times less likely to get legal aid than one in Bedfordshire.

The group which is responsible for the report includes solicitors, barristers, advisory workers, social workers and other people concerned with improving legal services to the community. It bases its figures on an analysis of 1978 Home Office criminal statistics.

Most defendants who do not get legal aid do not have legal representation. Research indicates that unrepresented defendants suffer from many disadvantages and are twice as likely to be convicted, the report states.

Mr Howard Levenson, a solicitor and senior law lecturer, the author of the report, says that despite proposals by the Royal Commission on Legal Services to tighten the criteria by which magistrates can refuse legal aid, the commission's "failure to recommend a system of appeal against refusal leaves ample scope for the prejudices and idiosyncracies of magistrates."

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Threat to eagles denied by forestry men

By Kenneth Gosling

With only a brief time left before the Government announces the arts budget for 1980-81, a powerful plea for more spending rather than less was made last night by Sir Roy Shaw, secretary-general of the Arts Council, in a lecture at the National Theatre in London.

Sir Roy, in a reference to the council's 1,200 clients, declared: "We say to the Government, like its predecessor, that the arts are essential to the well-being of the country."

"I am quite sure that Mr St John-Stevens (Arts Minister) would wish to do this; but it seems that the Cabinet will not let him."

The Cabinet, he said, took the plausible view that the arts must be cut like all other services such as education and health; but there were two strong arguments against that.

First, the arts were already seriously underfunded. "Second, the arts budget is so tiny compared with the education or health budgets that an increase of £10m, which would make very little difference in those services where costs are in thousands of millions, would transform the arts scene, receiving at present just over £50m."

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Large house repair bills face councils

By John Young
Planning Reporter

Evidence is accumulating that local authorities throughout Britain are faced with large bills for remedying defective housing built within the last 20 years.

The incidence of defects varies considerably from one authority to another. But the total cost of remedial work seems the reason why government approval of housing investment programmes for the next financial year has been delayed.

There has been a number of well publicised instances of design faults in large estates, but until recently it was thought that defects could be attributed to industrialized building systems popular in the 1960s but since abandoned.

It was only when councils in new towns began complaining about the cost of taking over housing built by development corporations that it became clear that not only tower blocks but also "traditional" estates of detached and semi-detached houses were unsatisfactory.

The magazine, *Building Design*, which has carried out a number of surveys throughout Britain, ranging from large cities to small towns, suggests that the cost of remedial work will amount to several hundred million pounds. It blames excessive attention to external appearance, to the detriment of good construction standards.

Inquiries by *The Times* disclosed that few, if any, councils have set aside a special fund to afford to pay for remedial work. In Sheffield, where there are some 94,000 council dwellings, the council has a backlog of 24,000 requests for repairs. The number has risen in the last three years from an average of two years per tenant to 2.8.

Several councils such as Sheffield and Hillingdon, in west London, have applied for special help from the Government.

While nearly all new buildings are now subject to a half of renovations qualify for government subsidy, repairs rarely do.

The Department of the Environment said last week that it remains government policy not to subsidise repairs or maintenance.

Only now is there the beginning of a return to the old system, in one diocese, and an attempt in others to provide special councils offering a more spiritual atmosphere to young candidates for the priesthood. Such candidates are few.

One priest in Amsterdam points out that he has more suicides in a year in his parish than there are vocations in the whole country. Another says that his large congregation is coming round to the idea that these days ordinations are no longer necessary.

The step Pope has taken is courageous because it lays him open to allegations of heavyhandedness, especially as the synod comes soon after the Vatican's barring of Professor Hans Kling from teaching as a Roman Catholic theologian and the hearing, held against Father Edward Schillebeeckx, the Belgian theologian who teaches at Nijmegen. The Pope has, moreover, made the com-

position of the synod such that the Dutch bishops may feel at a disadvantage.

There are seven synod members. Two are conservatives, Roderick and Roemond. Cardinal Willebrands, Archbishop of Utrecht, is attempting the impossible task of having a foot in all three camps—conservative progressive and Rome.

The four remaining bishops are convinced that Dutch Catholicism was on the correct, if controversial, path before the Vatican went against the wishes of most Dutch Catholics by imposing the two conservatives. Arguably, those two appointments, made in 1971 and 1972, were the only real errors committed by Pope Paul VI in his otherwise skilful handling of Catholicism's diversity. They were the cause of what many thinking Catholics describe as "the tragedy" of the present situation.

To the seven quarrelling bishops, the Pope has added six cardinals who head departments in the Curia. He has appointed two representatives of religious orders from Holland, a Salesian and a Benedictine, as well as the newly appointed Archbishop of Mechelen-Brussels, who will share the chairmanship with Cardinal Willebrands. There is a secretary in addition to Mar Josef Tomko, the Czechoslovak secretary-general of the international synod's standing committee.

The Dutch synod is due to last about two weeks. The Pope will himself be present at some of its meetings. What might roughly be called the progressive wing are conservative in their spiritual atmosphere to young candidates for the priesthood. Such candidates are few.

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WEST EUROPE

Dutch bishops meet in the Vatican to heal church divisions

From Peter Nichols
Rome, Jan 13

The special synod of the Dutch bishops opens here tomorrow, and no event of comparable importance has so far marked Pope John Paul II's remarkable reign.

The Dutch issue could provide the first clear indication of what sort of a Catholic Church he envisages for the future. No other local Catholic church could be more distant from the Pope's native Poland than Holland.

The Dutch hierarchy is profoundly split. Innovations first brought the Dutch church into the news in the years after the second Vatican council and there is still plenty of experimenting going on.

But there is also an attitude of resignation among many Catholics, touched with resentment at the way Rome has handled the marriage issue. Some would wish the Dutch felt they were applying the teachings of the council in a modern pluralist society.

Practical ecumenism in some places broke down traditional distinctions between Catholics and Protestants. Demands for a married priesthood have been strong. The question of women priests has been raised much more forcefully than elsewhere in Europe. Seminary training in the traditional sense was abolished and young candidates for the priesthood have studied alongside other students at the theology faculties of ordinary universities.

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OVERSEAS

Political leaders test reaction in Iowa to Carter grain embargo

From Michael Leppan

Waterloo, Iowa, Jan 13

The people of Iowa are farmers, notoriously hard to impress, but even they have been caught by the news of the embargo on grain exports to the Soviet Union.

With the exception of President Carter, who is in the White House, the political figures here, accompanied by his posse of television cameras and security men.

They will continue the rounds over the next week, until the faithful of both parties gather next Monday to vote in the first stage of the long process leading to the selection of a presidential candidate in the summer.

Their campaigns have attracted unprecedented national attention, not just because this is the first of dozens of popularity contests in this election year but also because, by coincidence, Iowa is among the states hardest hit by President Carter's grain embargo against the Russians. It has become a tremendous issue for the farmers from the air you can see why.

Endless acres of flat, brown, rectangular fields, their rough paths fringed with ice, stretch into the distance, each farm with its group of white buildings and a few trees. Among the buildings are silos, filled to bursting with grain that the farmers will have to sell at uneconomic prices because of the embargo.

Last night Vice-President Walter Mondale, standing in for the President, shared a plaid with Mr Carter's two main challengers for the Democratic nomination in this eastern Iowa town of 7,700.

"Tonight Waterloo has become the centre of the civilized world," he declared. "Iowa may well decide, as it did in 1895, who the next President will be."

Mr Mondale, who is a farmer, said that the embargo, though among farmers' top issues, is only 36 per cent. It is hard for a visitor to find even that percentage of farmers who support it.

Mr Mondale, a deceptively cool man who can orchestrate impressive heights of emotion, did so on this question. No one can say that Carter's embargo has hurt him, he thought. The crisis had been caused, he said, by President Carter's vacillation in foreign affairs, adding: "I don't believe the Iowa farmer should be made to bear the burden."

The Des Moines Register poll showed that 53 per cent of Iowa's support the embargo, though among farmers the figure is only 36 per cent. It is hard for a visitor to find even that percentage of farmers who support it.

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Four years ago Mr Carter, by campaigning doggedly and winning more votes in precinct caucuses here than any other Democratic candidate, emerged from obscurity to take a lead he never lost. It is now the received wisdom that to do well in Iowa is a prerequisite to winning the nomination.

The caucus is the first stage in a complex election procedure which proves the United States to be the world's most thoroughgoing democracy. At next Monday's meetings of a few hundred people in earnest the states 2,531 precinct delegates will be elected to county conventions in March.

They will in turn elect delegates to the district conventions in April and the two state conventions in June. Both the district and state conventions will choose delegates to a national convention in August where the presidential candidate is selected.

Thus the precinct caucuses are reported despite the tradition, only 7.7 per cent of the state's registered Democrats and 5.4 per cent of the Republicans bothered to attend the meetings.

Although Mr Carter won much the largest possible vote, it was only 28 per cent of the turnout, and 38 per cent of delegates elected were uncommitted to any candidate.

This year, if the latest opinion polls are a guide, the President will do even better by staying away then by his bitter opponent, Senator Howard Baker, who is now just ahead of Mr George Bush.

Both are still behind Mr Ronald Reagan, but he has slumped dramatically from 50 per cent to 25 per cent in a month, probably because of his failure to make part in the Des Moines debate. Staying aloof from the fray only works if you are President and can be seen to be doing something more important.

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Dr Nyerere accuses Britain of murder

Dar es Salaam, Jan 13

President Julius Nyerere of Tanzania has accused Britain of cold-blooded murder, deceit and treachery over the killing last Thursday of Patriotic Front guerrillas by Rhodesian security forces.

He called in Mr Peter Moon, the British High Commissioner, yesterday to deliver an angry protest in front of the assembled envoys of other Commonwealth countries.

Afterwards he told a press conference that he hoped Britain would call a halt to what he described as its crimes in Rhodesia and carry out the spirit of the London peace agreement.

He hinted that if it did not, Tanzania may take tougher action and perhaps break diplomatic relations, as it did in 1965 when Rhodesia made its unilateral declaration of independence.

Dr Nyerere said he understood that 13 Patriotic Front guerrillas had been killed in the past few days, seven of them by security forces while they were trying to reach an assembly point.

"The Governor (Lord Soames) has tried to justify that action by saying the security forces were acting within their rights. We can understand that action cold-blooded murder."

He said the British were not even using the Commonwealth monitoring forces to receive the guerrillas and escort them to the Lancaster House pact. Instead, he complained, they were using troops of the former Salisbury Administration who should have been confined to their barracks.

Asked if Tanzania would take action stronger than verbal protests if the situation did not improve, the President replied: "In 1965 we protested at British inaction over the Salisbury rebellion by breaking diplomatic relations."

"We believe their inaction in 1965 was less of a crime than the present participation of the British in the murder of the Rhodesian people," he said.

From Nicholas Ashford, Mozambique, Jan 13

For the past four years the border between Rhodesia and Mozambique, has been closed. During this period Rhodesian and Frelimo forces have sat watching each other from behind sandbagged emplacements or occasionally letting loose with small arms or mortars.

The most noticeable casualty of this period was the Mozambique customs house which was destroyed by the Rhodesians and subsequently replaced by a new one situated

something further away from the border.

However, years of hostility were replaced by festivities yesterday when the border was formally opened. It was a moment of considerable significance for Rhodesia because not only will it reopen the main road and rail route to Beira, once Rhodesia's main port, but it may also mean that Rhodesians can return to the beaches and game reserves of the Mozambique coast.

The opening ceremony was, however, a bit of a fiasco. At 9 am, one hour after the border was supposed to reopen, a Mozambique delegation, headed by a senior uniformed major, marched up to the wire barrier across the road and solemnly waited in the baking sun for the Rhodesians to arrive. But none did so, and after a few more minutes the Mozambicans left.

Not long afterwards a Rhodesian immigration official wandered over and asked what the fuss was about. He was told the Mozambicans had been there to open the frontier but had left because no Rhodesian officials were present.

It appeared, however, that the Mozambicans wanted a ceremonial reopening of the border. When the Mozambique delegation returned to the frontier post, this time inexplicably accompanied by a soldier carrying a white flag, they explained that the Governor of Manica province plus a host of other dignitaries were coming to the ceremony. In return they expected Lord Soames, the Governor of Southern Rhodesia, or at least someone else from Government House to be there.

They were informed, however, that there was no one more important on the Rhodesian side than the immigration officer, a few police reservists, and a Coldstream Guards major from the Commonwealth monitoring force.

Eventually, after more delays the Governor of Manica and his retinue drove away and the original Mozambique delegation marched up to the frontier yet again to remove the wire. There were cheers from the Rhodesians and foreign journalists present, who then walked across into Mozambique to be greeted by over 1,000 laughing, cheering and chanting Mozambicans.

Suddenly the crowd, seeing that the barrier had finally been removed, rushed in a great phalanx over to the Rhodesian side of the border where they danced and sang around the customs house.

Even the Rhodesian customs officials were sufficiently moved to crack open a celebratory bottle of Rhodesian sparkling wine.

From David Spanier, Diplomatic Correspondent, Riyadh, Jan 13

Flying over the Strait of Hormuz, the northern tip of Oman, only the oil slicks round the magnificent rocky shoreline betray the shining green-blue sea as the vaunted 'lifeline to the West'.

The visit by helicopter made by Lord Carrington, the Foreign Secretary, was peaceful enough. The Russian ships, which carry out surveillance from the safety of a narrow channel midway between Oman and Iranian waters, were temporarily absent over the weekend.

The enormous tankers moving in strictly demarcated lanes like leviathans, their lights burning in the night to show the traffic, about 80 vessels a day, never ceases.

Lord Carrington was impressed by the energetic efforts of the Oman Navy, consisting of two missile boats and four gunboats, to patrol the waterway. These little vessels, looking like toys against the mass of the oil tankers, buzz in and out and try to ensure that nothing upsets freedom of passage.

An airstrip, boldly named Al Khushab, 'International Airport', enables the Oman Air Force to keep an eye on its coastline and survey the waterway.

It is all very picturesque, but is it enough to safeguard the Western world's oil supplies from the Gulf? The Sultan of Oman thinks not, and has been impressing on Lord Carrington the case for more arms, in particular radar and modern mine-sweeping craft.

He also wants anti-tank guns, 155mm guns and missiles which can fly 'blind' to strike targets by night or day.

Negotiations to purchase a squadron of Jaguar fighter aircraft, which were in train well before the invasion of Afghanistan, raised Oman's fears, are well advanced.

The trouble is that all these arms, supposing Britain or other Western countries were disposed to produce them, would cost a lot of money. Moreover it is not clear how long it would take for the local people, despite rapid progress of 'Omanization' by a cadre of British officers on contract here, to manager to handle such sophisticated weaponry.

The Sultan is absolutely opposed to any base, American or otherwise, being located on his territory. Oman relations are already somewhat strained with the Arab world beyond the Gulf. And in the Gulf itself, the Omani attempt to mobilize an international effort to patrol and protect the waterway was

handed so clumsily that it failed before it started.

In reality, the threat to the Strait of Hormuz may have been somewhat exaggerated in over-enthusiastic press reports. Just because it is so vital to the West, any attempt by the Russians to interfere, with free passage would be a *cassus belli*. They must know that it is too important to be interfered with for short-term advantage.

The lesser dangers of hijacking and sinking a tanker seem to the naval officers on the spot less alarming than might be supposed. At its narrowest point, the strait is 24 miles wide. If a tanker was put out of action, it would not block the waterway, as for hijacking one of the tankers it is hard to see what object that would achieve.

Possibly the most serious threat to the waterway comes from mines being dropped at random on the sea bed.

The Omani are increasingly concerned about the possibility of mines detonated by noise, magnetism or pressure waves, make them far more lethal and harder to neutralize than good old-fashioned metal balls.

The Iranians used to be the guinea pigs for such weapons. The Iranian shoreline is empty, but how long it will remain so is anyone's guess.

From Our Correspondent, Wellington, Jan 13

The New Zealand Government's unbridled view of possible reprisals against Russia for its action in Afghanistan has drawn fire from its friends and critics at home and from Washington, but the delay may best be explained by holiday ennui.

New Zealand hurls itself up for a month's summer Christmas recess during which all ministers vacate the capital. The Cabinet will not meet until January 22 and it is at that meeting, according to Mr Brian Talbot, the Foreign Minister, that New Zealand's response will be worked out.

This is not to suggest that Wellington acquiesces in the

Russian policy. The Government has formally condemned the intervention.

However, the country's failure to display the same sense of urgency to exert pressure on the Russians as it is to be found in other capitals has provoked criticism.

The Foreign Ministry is preparing a study on the options open to the cabinet. The January 22 meeting, one possibility, a total trade ban, is likely to be rejected on the ground that it would hurt New Zealand more than it would hurt Russia.

The trade area in which New Zealand is most likely to move concerns fishing rights within its 200-mile economic zone.

Continued from page 1

Now the pass, with its tortuous winding roads and precipices and its 11-mile tunnel cut through solid rock, appears to be a trap for the Russian troops travelling south.

Even more ironic is the Soviet failure to anticipate such attacks almost 100 years after the Russian army came to grief at the hands of Afghan tribesmen in the Khyber Pass, 150 miles to the south.

The latest State Department estimate of Soviet dead—about 1,200—may be somewhat exaggerated, but the true toll cannot be far off that number.

The Russians seem determined to secure the Salang Pass. All day we watched Afghan fighters strike over the mountains.

Artillery batteries have been positioned on the lower hills and 572 tanks, the news in the British Army came to grief at the hands of Afghan tribesmen in the Khyber Pass, 150 miles to the south.

At the time politicians in the United States claimed that this expensive Russian assistance, in itself a spin-off of Cold War rivalry, would one day give Soviet troops access to Kabul if they chose to invade the country.

From Our Correspondent, Berlin, Jan 13

A growing number of Soviet cargo ships have been assembled in recent days at Hamburg apparently to ship as much grain as possible to Russia in case West German dockers join American ones in a trade boycott.

Forty-three ships were in or around the port yesterday and 46 more are expected in the next few days. Most of them are relatively small craft with a capacity of 2,000 to 3,000 tons.

In other words, the Soviet fleet is being sent into Afghanistan. "In effect imperialism, together with its accomplices, launched an undeclared war against revolutionary Afghanistan." The Russians had warned those concerned that if the aggression was not stopped, they would not abandon the Afghan people at a time of trial.

As is known, we stand by what we say.

He said that the actions of the aggressors were assigned by the former President Hafizullah Amin, over whom Washington and other Western capitals were now hypocritically mourning.

The unending armed intervention, the well advanced plot by external forces of reaction, could create a real threat that Afghanistan would lose its independence and be turned into an imperialist military bridgehead.

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How much longer before the days of ambassadors become obsolete?

Bidding a fond farewell to The Career

Signor Roberto Ducci, who has recently retired as Italian Ambassador to Britain, looks back on his long career as a 'member of the honourable mafia of diplomatists', which he calls a real society of friends

I have served in the foreign service of my country 42 years, six months and six days. For most of my life I have therefore been a member of the honourable mafia of diplomatists, which is one of the many international mafias that criss-cross the world (bankers, cavalrymen, ministers of agriculture, clergymen, nuclear scientists, et al); indeed, one of the best among them, a real society of friends, and two diplomats hate each other.

For a total of 15 years I have sat at the top, receiving the honours and privileges, as well as the laurels mixed with thorns, which become to an ambassador. I have liked and disliked this profession, which when I was a boy was still an Order of Chivalry. I have never thought that the right to choose among half a dozen *grands cordons* to wear over a white waist gave me a reason for feeling superior to other human beings. Recently, when some progress was made towards the idea that the scope of diplomacy is not the glory of the Prince and the aggression of his State, but the peace and welfare of mankind, I felt rather proud of having consecrated to it most of my energies.

I am now quitting what the initiates call The Career, with some regrets for the good things I have not been allowed to do and for some of the opportunities I have missed. I am starting what is optimistically called a second life, with a new job and a higher dose of literature, music and walks in the countryside. I am quite sure that if some doubts have emerged in me about the future of The Career they are not attributable to the fact that personally I shall have no part in it. My story from now on is that I (and you) may be contemplating the beginning of the end of diplomacy: not of diplomacy as an art, which we shall always need with our wife or our boss, but of diplomacy as an *ipse dixit*.

Whether or not is still controversial. In order to come to a few (provisional) conclusions I shall use the mathematical method called *reductio ad absurdum*: by it you test your argument against absurd assumptions and consider what happens.

Suppose there was no exchange of ambassadors between the countries of Western Europe: what difference would it make? The answer is none, or very little. We live in an area of the world where there is practically absolute freedom of movement, trade,

culture. Our interests are the same and becoming ever more so. Three councils of permanent plenipotentiaries (which already exist), one to agree on common defence, another to concert common attitudes towards the rest of the world, the third to adjust economic policies, should be able to deal with most problems.

One might claim that resident ambassadors are still necessary to come to an agreement on the most difficult question of all: how to find a convenient date for all heads of government to meet. But really, should the taxpayer foot a heavy bill to obtain a result which might well be obtained by *Corcu*? (For people who ignore the meaning of the word *corcu*, it is a highly efficient system of inter-EEC communications, sufficient to say that it permits the same message at the same time, and to answer the proposition of government keeping all the others informed).

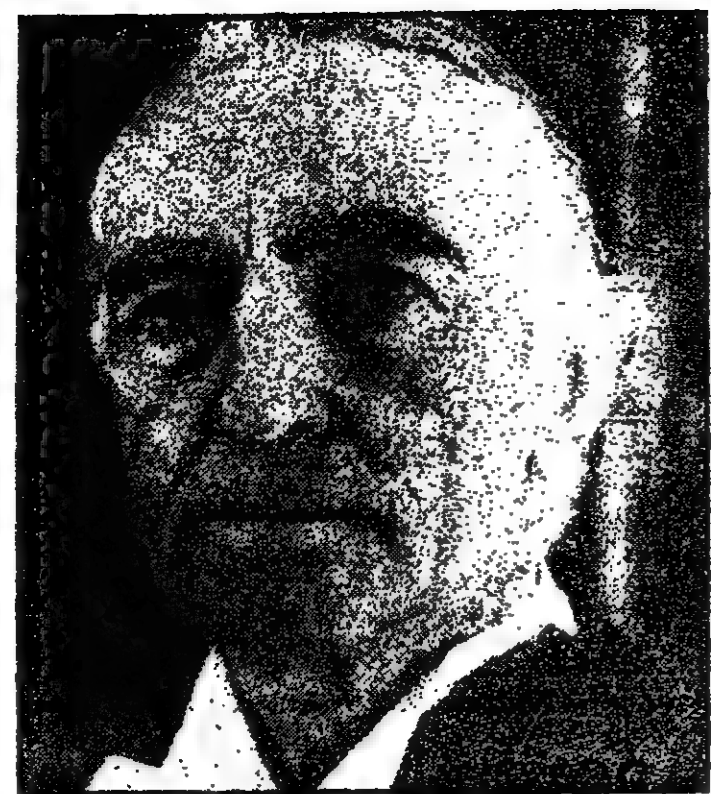
Direct and periodical exchanges between foreign, finance or energy ministers, or between central bankers, museum directors, opera superintendents, have been made possible, plausible and frequent by jet-planes.

The continuity between meetings could well be arranged by technological developments in telecommunications. We are promised miracles by micro-chips, and we should hasten to realise them for day-to-day relations among governments.

In the old royal palaces there used to be a large hall named ambassadors' hall. There the foreign envoys would sit, waiting to be called in by the monarch. I can foresee the time when an ambassadors' hall will be re-established: each foreign government disposing of a terminal computer which would

hand out or receive, in oral or written form, intergovernmental messages. (The note verbale would be replaced by the *relevo verbal*?) I have no space to list all the advantages of this system: one would be that clarification on points of detail—normally unavailable to an ambassador—might be immediately obtained: the other, that waggings, threats and declarations of war would be imparted without risk for the life or health of an envoy.

So far with embassies from one Western European country to another. But what if high commissioners were abolished? This is a peculiar British institution and it might prove as difficult to put an end to it as to suppress, say, the Gold



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Eric Heffer

The conflict which creates strikers

As it resembles today, Parliament is facing intensified industrial conflict. The steel strike is entering its third week with all the main unions in the industry now on official strike. Non steel unions are supporting the strike, while others are guarding their loins for industrial battle with their own employers. It is not a happy prospect for the country. Not that industrial conflict is unique to Britain. For example, in West Germany last winter the steel industry had a strike lasting for six weeks.

While this present conflict in Britain is different in degree to that in Germany, it has the same malady of inflation and growing unemployment. There is one difference, however: last year trade unionists had a government in office which was sympathetic to them, despite its avowed policy of wage limit, while this year, the opposite is the case, with a Prime Minister fundamentally hostile to trade unions as was clearly shown during her recent television interview with Brian Wren.

The benign reasonableness of Jim Prior cannot hide the

prejudiced attitudes revealed by Mrs Thatcher. Undoubtedly, she reflects the views of those on the Tory back benches who would, if they could, completely clamp down on the unions placing them in a rigid legal strait jacket as attempted by the Heath Government.

The present misnamed Employment Bill, recently introduced in the Commons, is a Reach-type mini Industrial Relations Bill, purporting to be fair and reasonable, but which, if its provisions were to become law, would make life almost impossible for trade unionists involved in strike action.

For Tory backwoodsmen, the Bill does not go far enough, nevertheless it is far-reaching, especially clause 14, which deals with secondary picketing. Mrs Thatcher, no doubt under pressure from the CBI, (whose director, Sir John Methven, has called for the Tory Bill to be speeded up in Parliament so that it can be implemented soon) has made it perfectly clear that the Government believes the picketing provisions need strengthening, either by amendment to the

present Bill, or by the introduction of another Bill next winter.

Secondary picketing hit the headlines during the lorry drivers' strike last year. If it were made illegal, it would seriously cripple trade unionists involved in strike action, and would leave the effect of prolonging strikes, leading to real bitterness in industrial relations.

It is usual once a strike is on, for fellow trade unionists to take sympathetic action while those directly involved in the strike naturally encourage them to do so. As Les Wood, the general secretary of UCAIT, says in his new book *A Union to Build*, concerning the 1972 construction strike, "the key, therefore, to effectively preventing the one crop of work on construction sites lay in the prevention of delivery of materials, especially those which were needed quickly and were used in the initial stages of getting the job off the ground".

He further says: "It took the building employers a long time to realise that for so long as the pickets blocked site entrances, and the men on strike remained loyal to their union, and refrained from doing building work of any kind, their grip was unchallengeable."

The reason why secondary picketing has increased is really quite simple. The interconnection and interdependence of companies, industries, and products is such that no one group of workers is involved in a finished article, and to win a dispute, it is necessary to involve all those workers who in one way or another are engaged in the production process.

Trade unionists rightly get very angry when they receive, from people who have never worked in industry, lectures on the need to be reasonable. It is easy for those outside industry to demand that there should be industrial conflict, that surely the interests of employers and workers are similar: so why can't everyone work together in the interests of the company concerned and the country as a whole?

Unfortunately, such views ignore the real character of our

economic system. Employers in our type of society either make profits or go out of business. Competitive capitalism with profit as its basic motive, creates conflict, because understandably workers want to participate in the consumer society, to buy the goods they produce and enjoy such things as holidays abroad.

To acquire these, they demand higher incomes which inevitably leads to conflict with their employers who resist the claims because they affect profits. In turn the higher incomes gained eventually lead to higher prices, and the whole cycle begins again.

What is really required is a new system of production, and an entirely new economic approach, but that will not happen while this Government is in office.

The atmosphere in industry has undoubtedly changed since Mrs Thatcher took control, and has many similarities to that during the Heath regime. At that time, in the early period of his UN government, it was if the people, even trade unionists, were supporting him. In

reality, however, strong opposition was mounting because hard-won rights were in jeopardy. Contrary to what is often said, trade unionists in Britain have never been outside the law. Traditionally, however, in Britain the law has tended to operate against trade unionists, which is why they are chary of too much state interference in their affairs.

Yet under the present Employment Bill, the courts would be fully involved.

The Tories and Mrs Thatcher should take heed of the words of Winston Churchill, speaking as Home Secretary, in the debate on the Second Reading of the Trade Union No 2 Bill, May 30, 1911. "It is not good for the country that they should be brought in contact with the courts, and it is not good for the courts, where class issues are involved, and where party issues are involved, it is impossible to pretend that the courts command the same degree of general confidence."

The author is Labour MP for Liverpool, Walton. © Times Newspapers Ltd, 1980

offer hostages to fortune and to immis?

This short analysis seems to lead to the following conclusions. An exchange of embassies between friendly countries is at worst superfluous; between unfriendly countries it is at best risky. We might therefore find our advantage in abolishing ambassadorial missions, and replacing them either with a special legation, to be sent for a limited time to re-establish decent relations or to negotiate a special agreement, or with a roving ambassador, when the consensus of a number of countries is looked for.

Having thus made my point that ambassadors are rapidly becoming obsolete, the objection might be raised that my analysis is slanted by personal motives. I can distinctly hear my colleagues in London murmuring that, of course, having been ambassador for 15 years (of which nearly five in London) and having only one chance in a thousand of becoming again head of mission, I could not care less if this precious institution were suppressed. To which my answer is: ambassadors are obsolete and, if things continue as they are—with on the one side prime ministers, foreign and other ministers as well as high officials meeting directly once a month or once a week, and a new middle age emerging on the other side—they will rapidly become obsolete. But a return to sanity is not to be ruled out. Perhaps ministers will come to realise that little is to be gained, and a lot might be lost, if the hectic chase after personal contacts at their level is intensified into a frenzied merry-go-round, that will not even be sorry after a while; and the relations between countries would be improved and stabilised if they were restored to the patient and continuous care of wise men, members of diplomatic international, not too young, not too ambitious, and compensated for the lack of political advancement by some glitter and some duty-free whiskey.

By my *chers collègues*, my successor and my younger colleagues should not unduly worry. Any formal acceptance of the fact that ambassadors have become obsolete will take 999 years, even in the first of the two possible developments I have described. Until then, their jobs, their careers and their future should not, thank God, be at risk.

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Engineering students at King's College, London: going up.

Putting engineers back on top

The Finiston Report, published in the first ten days of 1980 must surely usher in the decade of the engineer.

For Finiston is the most important report we have had, or are likely to receive, for a very long time. It is concerned with the decline of British industry and how to reverse it. Its analysis of that decline is itself a tour de force, and should be required reading for practically everybody. And it happens that the cause of that decline our failure either to develop or to use our qualified engineering manpower as we should.

The evidence, overwhelming, is that our attitudes to engineers, and the use we make of them, with the attitudes and practices of other successful industrial countries. On virtually every count we do it worse.

But it is more than that. In most other countries the engineering profession is seen as lying at the heart, not merely of industry's success, but of the country's success. It is not so over here. Here, the engineer is seen as an ancillary fellow, not to be considered for determining important management decisions.

"On top, but not on top" is someone's immortal phrase. (Of course there are many and important exceptions. I am writing about the generality.) Finiston understands this, and that what we need above all else is a change in cultural attitudes. His report is about the process of bringing about that change.

The heart of Finiston is in chapter IV, dealing with the formation of engineers. His proposals will clearly be controversial. But they are based on a cogent analysis of what is required compared with what happens. They seem to me, personally, to be broadly right. I am sure that is true of the proposed inclusion of the Technician Engineer on the Register.

The proposal to introduce statutory registration of engineers is also right. It is a measure abolishing necessary as Finiston wants industry to take engineering qualifications seriously.

The muscle of Finiston's proposals is the Engineering Authority. This is to be the engine for change. We have long needed a body which needed a heavyweight organisation to look after the interests of the engineering profession in the nation at large—with Government, with the schools and universities, industry and industry.

It must be a powerful body backed by the nation, as Finiston suggests. Without it there is no chance that the majority of Finiston's proposals will be put into practice except perhaps piecemeal at the pace—and therefore too late.

The Engineers' and Managers' Association has a particular interest in the Finiston Report, since it was the initiative of the E&M Association (which shortly

afterwards created the EMA and is now part of it) which led to the committee being set up by the previous government.

It was we, with the highest proportion of chartered and technician engineers in membership of any nation, and the public service sector, who tabled a motion at the 1976 TUC Congress calling for a government inquiry into the state of the engineering profession, and secured unanimous backing for it there.

It was the TUC resolution which led to the government's interest, and decision 10 months later, against the opposition of the CEI and the Civil Service, to set up the Finiston Committee.

Of course, there are faults to find. For example the report is contradictory when it says "that the new statutory registration must embrace the current stock of engineers" and then goes on to suggest ways of ensuring that it does not happen. To suggest there should now be a great weeding exercise before existing chartered and technician engineers are accepted will be entirely counter-productive.

If one thing stands out from the report more than any other, it is the failure of British employers to understand the engineering dimension. It is the employers who have lacked "an adequate engineering input to marketing and business planning activities who spend so much less than their foreign counterparts on R & D activities, who do not recognize their need for engineering expertise" who misemploy and underpay many of the engineers they have got.

These are not unimportant questions. It is unquestionably a damning indictment of so many traditional employer attitudes to engineers in this country.

The question is: can the employers change themselves? It is not the only question, but the answer to it will be decisive, more so even than the answer to Finiston which comes from the universities, the institutions and the trade unions. Merely to ask the question is to reinforce the already strong argument for a powerful engineering authority to act as a forceful agent of the changes Finiston proposes.

There will be many criticisms of Finiston. But all those of us, and there are many, who understand the importance of the engineer to industry, and who are working for this country's desperately delayed industrial revival, will be in a position to maximise support for Finiston.

It is so easy to destroy good ideas, so difficult to get them accepted. If we start now it will take 10 years to implement Finiston. But what a prize if we can succeed.

As I said at the beginning, this should be the decade of the engineer.

John Lyons

The author is general secretary, Association of Engineers and Managers.

NEW YORK DIARY

Dr Kurt Waldheim, the Secretary-General of the United Nations, does not confide such things to me, but he would be scarcely human if he did not feel some of the treatment he has been getting from American politicians and newspapers these last few weeks.

Recognizing that they have no power to assert their will in Iran or Afghanistan (or more precisely, that they do not have the will to assert their power) the Americans have suddenly rediscovered the United Nations and Dr Waldheim as useful channels for venting their frustration.

Consider how the poor man has been abused. When the hostages were taken in Tehran in November, the American at first did not want him or the United Nations to play any part in the negotiations for their release.

It was Dr Waldheim himself who, under a rarely used prerogative, summoned the Security Council into session. Its members issued a unanimous appeal for the hostages to be freed, and asked the Secretary-General to work towards that end.

Then President Carter, fearing that the American public were losing patience with the stalemate declared on television that he was going to ask the Security Council to impose sanctions. When he discovered that other members of the

council were less than wholehearted in their enthusiasm for this scheme, and were more over put out by the means used to announce it, he bowed back swiftly.

The new American plan was to get Dr Waldheim to visit Iran to try to get the hostages back. Only if he failed would sanctions be imposed.

Now it was the Secretary-General's turn to be miffed. Having been asked by the Security Council to work at the problem in his own way, he now found himself being bundled towards Tehran as the American's poodle—a fact which he thought made failure certain.

It was in order to dilute the effects of this that he started on his way before the Security Council had passed their resolution. He could not really have believed, however, that this manoeuvre would enable him to dissociate himself adequately from the threat stated in the resolution.

Still off he went, making the best of it, surviving one or two menacing moments and talking to the foreign minister. Returning, he reported that in his view sanctions would not help get the hostages freed.

All this time he had been suffering not only from President Carter's capriciousness but also from the ferocious scorn of most of the American press. An elegant central European diplomat of the old school, something of a fuddy-duddy at

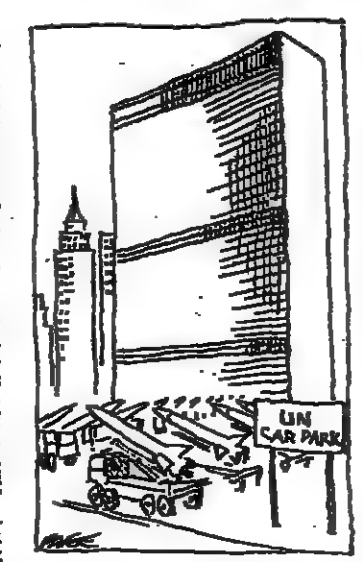
that, he is not the sort of politician Americans understand or respect.

The images which the current crop of presidential candidates project show how Americans view their ideal leader. He should be one who speaks tough, stands no nonsense, believes that anyone who is not for him is against him, knows black from white and admits to no shade of grey in between.

The moderator of a world body which runs the gamut from Albania to Argentina knows that in truth there is no black and white, that all is grey, that between friendship and enmity lies a range of relationships between nations.

The New York Daily News, therefore, castigates the United Nations as timid temporizers who have "failed to deliver". The New York Post runs an article headlined: "UN setting us up for another slap in the face" and accuses Dr Waldheim of appeasement. The Wall Street Journal calls him "an innocent abroad".

When The Daily Express in London says the kind of things it says scarcely a whit, because hardly anybody at the United Nations reads it. But these are the local papers. Delegates hurry to discover what they are saying about them with the enthusiasm of actors thumbing through their first night reviews. They read it and feel sadly misunderstood.



The United Nations' relation with its host city is a fascinating study. The United Nations is in New York but it is not of New York.

The last few weeks have been one of those rare periods when New Yorkers become conscious of the world organization in their midst. For long stretches in between it scarcely impinges on their consciousness except as a slim glass slab adorning the East River.

It is surprising that an insti-

tution employing nearly five thousand people, with more working for the missions of member nations, can have so little impact on a city. The reason is that most of the people who work there set themselves apart.

They generally disdain public transport, preferring their own cars with number plates which allow them to park in spaces denied to mere citizens, yet they still complain about the lack of parking spaces—and about the traffic jams, to which they contribute significantly.

In the autumn nearly every delegation has a cocktail party, usually in the delegates' dining room above the General Assembly Building. At them, you will meet exotic people of many nationalities, but seldom an American, except one or two from the United States mission.

From time to time groups of delegates start squinting for the UN governor, who is to be moved from New York to Geneva, and the crime, heat, cold, dirt and the automotive disabilities I referred to above. It is possible that some of them would indeed be happier somewhere else—perhaps in some global Brasília, a newly created city devoted entirely to the industry of being the world's capital.

New Yorkers would probably miss the UN more than the UN would miss New York, not for political reasons but out of concern for the creature comforts

which its citizens hold dear. Last week when the Government said they would close the UN Soviet consulate on Upper Fifth Avenue, it was a slap against the Afghanistans, people who lived near by, because they would lose the beefed-up police protection which they had been getting since the Russians moved in.

Perhaps the UN's biggest impact on the city has been in the provision of good ethnic restaurants. The streets between 40th and 50th Streets and First and Third Avenues are sprinkled with little bistrot-style places which owe their existence chiefly to the UN.

There is hardly a brand of cuisine which cannot be obtained. Asian countries predominate in recent years it has been the first time become possible to buy quite decent Indian food here—but the choice is wide.

(It is not always safe to assume, however, that because the cooking is authentic, so are the staff. I dined the other day in a Turkish restaurant with a diplomat who was proud of his fluent Turkish, and engaged in intricate discussion about the food in that language with the waiter, who looked awfully enough. The waiter let him finish before announcing that Turkish happened not to be his language.)

These are, I appreciate, superficialities. The argument about whether the UN should stay in New York will be decided without regard to gastronomic factors.

A part of the reason for its being sited here after the Second World War was that it would nail down the Americans, who had stayed aloof from the League of Nations after the First World War but would find it harder to abandon an organisation whose headquarters was in their own country.

The main disadvantage was not foreseen. It is that the Americans, encouraged by New York's proximity to Washington, tend at times of crisis to look on the UN as a double-edged sword, as an arm, and a rather subservient arm at that, of their own administration. It cannot escape getting embroiled in party politics.

When Dr Waldheim came back from Tehran he immediately flew to Washington to see President Carter, a pilgrimage he would have thought twice about making if it had been several thousand leagues of a few hundred miles. Accounts of what happened at the meeting are unclear, but much reporting of it suggested that the Secretary-General was ticked off by the President for having the impudence to suggest that sanctions against

Iran would be futile and might even make things worse.

The United Nations is as close to hand as Congress, the Senate and City Hall. Security Council debates are broadcast live on public television. This encourages Americans and their journalists to feel justified in sneering and complaining if it fails to be an effective tool of American foreign policy.

The United Nations has to be somewhere. If it were not here the Americans might ignore it, and who is to say that would not be worse? (I wonder by the way, how the events of the last few weeks would have been effected if its headquarters were in Moscow.)

Imagine that, at the close of these long and frustrating days at the office, Dr Waldheim is given to sitting by the window of his elegant Sutton Place town house, contemplating the giant chunks of ice which drift down the East River. If he does, feeling through his abashed curtains and nursing his bruised amour propre the while, he could be forgiven for wondering whether he might be better loved in Geneva, in Rome, in London, in his home town of Vienna, or anywhere.

Michael Leapman



1. *Chlorophyll a* and *Chlorophyll b* were determined by the method of Lichtenthaler and Whistler (1973). The total chlorophyll content was determined by the method of Arar and Cook (1980). The carotenoid content was determined by the method of Lichtenthaler and Whistler (1973). The total carotenoid content was determined by the method of Arar and Cook (1980). The total protein content was determined by the method of Lowry et al. (1951). The total lipid content was determined by the method of Bligh and Dyer (1959). The total carbohydrate content was determined by the method of Dubois and Gilles (1950). The total nucleic acid content was determined by the method of Burton (1956). The total ash content was determined by the method of AOAC (1990). The total moisture content was determined by the method of AOAC (1990). The total dry matter content was determined by the method of AOAC (1990). The total organic acid content was determined by the method of AOAC (1990). The total alkaloid content was determined by the method of AOAC (1990). The total flavonoid content was determined by the method of AOAC (1990). The total phenolic content was determined by the method of AOAC (1990). The total tannin content was determined by the method of AOAC (1990). The total saponin content was determined by the method of AOAC (1990). The total sterol content was determined by the method of AOAC (1990). The total glycoside content was determined by the method of AOAC (1990). The total alkaloid content was determined by the method of AOAC (1990). The total flavonoid content was determined by the method of AOAC (1990). The total phenolic content was determined by the method of AOAC (1990). The total tannin content was determined by the method of AOAC (1990). The total saponin content was determined by the method of AOAC (1990). The total sterol content was determined by the method of AOAC (1990). The total glycoside content was determined by the method of AOAC (1990).

Fitting
graduates to
jobs in
industry, P16THE TIMES
BUSINESS NEWS

سكان النجف

■ Stock markets

FT Ind 435.2, up 4.4.

FT Cals 66.80, up 0.57.

■ Sterling

\$2.2575, down 20 points.

Index 71.0, up 0.1.

■ Dollar

Index 84.4, up 0.1.

■ Gold

\$623.5 an ounce, up 23.

■ 3-month money

Inter-bank 16½ to 16½.

Euro-S 14 3-16 to 14 15-16.

Friday's close

IN BRIEF

Iran's oil
revenues
at \$1,600m
a month

Tehran, Jan 13.—Iran's oil revenues have reached \$1,600m a month despite reduced output, Shaikh Ali Akbar Moinefar, the nation's oil minister was reported as saying.

Pars news agency reported the minister as saying: "Despite the fact that Iran has reduced its oil production by about 30 per cent compared with the time of the deposed Shah, oil revenues have reached more than 1.6 billion dollars monthly, which is very satisfactory."

He also said that nations supporting threatened economic sanctions against Iran over the detention of American hostages in Tehran would be denied oil supplies. "Our policy is very clear. Iran will not sell oil to those countries."

Pars news agency also reported that Iran has signed a contract to supply oil to Finland. It recalled that the Finnish National Oil Company was the first European concern to buy Iranian oil in 1971.

CBI wants more cuts

Industrialists are urging the Government to cut more public spending to achieve income tax reduction and lower interest rates. A memorandum is being sent today by Sir John Greenborough, president of the Confederation of British Industry, to Sir Geoffrey Howe, Chancellor of the Exchequer, asking for public spending cuts of between £1,500m and £2,000m in the next financial year.

German outlook talks

West German industrialists and union leaders will meet today to discuss Germany's economic prospects. This development takes place at a time when this year's round of collective wage bargaining is already under way and is the first since 1977 that both sides will have been represented in force at such a formal meeting.

Dunlop closure fear

Closure of the Dunlop golf ball plant at Stoke Newington, with the loss of 250 jobs is threatened after talks between management and the Department of Trade failed to produce what is regarded as sufficient government aid to relocate the plant. Dunlop closed its ancient tyre factory nine months ago and 2,400 jobs were lost.

Shipyard jobs threat

Sweden's shipbuilding industry wants to cut its workforce from 20,000 to between 10,000 and 13,000 by 1984. The industry shed 31,500 employees in 1975 and 1976 and over the past three years has received 12,000m crowns (about £1,300m) in subsidies, which are already to be progressively cut.

Profit slump predicted

Latest forecasts from the Henley Centre confirm that Britain is in for a lean time in 1980. It predicts output will drop by 1.5 per cent, profits by 25 per cent and investment by 8 per cent and that inflation will peak at about 19 per cent in the second quarter.

40pc pay rise sought

Seven thousand workers at the world's biggest diesel engine plant, Perkins, of Peterborough, are to seek a 40 per cent wage rise. Shop stewards at the plant are also pressing for a 35-hour week and extra holiday pay.

\$11.6m gas contract

A British company, Black, Sivalls and Bryson, of Richmond, Surrey, has won an \$11.6m contract to build four gas treatment plants in Qatar's offshore Dukhan oilfield. Each plant will be able to process a 50 million cubic feet of gas a day.

British businessmen must
'start from scratch' to
regain Rhodesian markets

From Ross Davies, Salisbury, Jan 13

British business leaders visiting here were told over the weekend that there is no question of Britain regaining its preeminence as Southern Rhodesia's main provider of imports.

It was also confirmed not only that sanctions imposed since 1965 were ineffective in stunting the Rhodesian economy but that British goods other than oil found their way into the country.

A leading Rhodesian businessman, Mr C. F. Tracey, told a visiting delegation from the United Kingdom Institute of Directors on Saturday, "There will be no preferential opportunity (for the British). We will be receiving delegations from other countries in coming months to see the same opportunities. The profitable relationships will be the efficient ones."

Mr Tracey is the president of the Zimbabwe-Rhodesia Promotions Council and the chairman of 20 Rhodesian companies. He was referring not only to export opportunities in Rhodesia itself, where UDI has had the effect of galvanizing local industry into higher output, but to plans after next month's elections to resume Rhodesia's former role as a re-export centre for eastern and central Africa.

His warning was obviously taken to heart by Mr Jim Moorfoot, leader of the institution of British goods, which was returning to London today after an eight-day tour. Before leaving Rhodesia, Mr Moorfoot, chairman of Kodak-UK, said: "Certainly we recognize that the British businessman (in Rhodesia) is starting from scratch."

Mr Tracey's remarks only amplified those made to me by Mr Brian Stringer, chairman of Air Zimbabwe-Rhodesia which is partner with British Airways in the London to Salisbury air link resumed last week. B.A. has kept an office in Salisbury since 1975.

Mr Stringer said: "The old supremacy has gone. The market has expanded so much over the last 15 years that the British may well achieve in money terms the same volume of business as before but not the same share of the market." Rhodesian businessmen, he said, would buy British on



Photograph by Brian Harris

Mr Jim Baker: sanctions-busting through third parties.

grounds of reliability, price or delivery but no longer out of sentiment.

Before UDI in 1964 the United Kingdom exported about £31.5m worth of goods to Rhodesia, about a third of that country's total imports. The Department of Trade is hoping for £100m worth of exports in the next 12 months, possibly exceeding illegal exports in recent years but if anything a retreat from pre-1964 levels.

Ironically one hope for this year's British export drive in Rhodesia may be such reputation as British goods have maintained in finding their way into the former rebel colony in defiance of sanctions. But French, German and particularly Japanese companies have a big head start.

Mr Stringer added, in a remark unusual in a country where on paper at least British goods are not to be had: "Almost anything you order

from Britain doesn't come on time."

His remarks were given point by Mr Jim Baker, the secretary of Rhodesia's Ministry of Commerce and Industry, a civil servant to whom ministerial powers have been delegated until next month's elections.

Mr Baker said: "British goods have been coming in from third parties but they haven't exactly been promoted."

What these goods are is hard to ascertain. Despite the presence in Salisbury of Lord Soames, the British Governor, the visiting journalist is still cautioned by the Mozambique government that "it is an offence to refer... to methods of sanctions circumvention."

However, as can be seen in any Salisbury shop, Rhodesia is now self-sufficient in most consumer goods.

It would be surprising, therefore, if these unofficial exports were not of those items listed by Mr Baker, Mr Stringer and then by Mr Moorfoot in a statement released here and in London—that is, capital goods and particularly replacement machinery and plant.

From conversations with Rhodesian businessmen and officials it is clear that the reason more such goods have not been sold here is not because of sanctions. Shortage of foreign currency resulting from the 1974 oil price increases and the pressures of war spending are quoted.

The lifting of sanctions, however, will give Rhodesians free access to world capital markets. Furthermore the cost of Rhodesian exports will be lowered by the opening of the Mozambique border on Saturday. Exports—and British imports—can now use the shorter route through the ports of Beira and Maputo rather than more distant South African ports.

Rhodesia will be free once more to market her high quality chrome ferro-alloys, effectively blocked by American sanctions. Lastly, another prime Rhodesian export, tobacco, will no longer need to be sold at a discount to tempt buyers to circumvent British and United Nations sanctions.

One businessman I spoke to here said of sanctions: "They were a joke. The British never meant them to work. All legality means to me is that the bribe can go straight from Salisbury to London instead of via Jo'burg or Bern."

Bank union
criticized
on merger
breakdown

By David Felton

Brussels, Jan 13

China has the potential to build up foreign indebtedness of \$30,000m (£13,333m) over the next ten years according to a special study commissioned by the Dresdner Bank AG of Frankfurt.

The study, which was drawn up by HWWA, the influential Hamburg-based economic research institute, claims that China need only achieve a modest increase in the share of its exports in relation to gross national product, or a corresponding substitution of imports at present purchased with cash, to lift its potential debt ceiling to such a level.

At a time when international bankers are becoming increasingly concerned at a growing lack of first-class addresses to absorb the big surpluses of the Opec oil-producers, China appears to be a potentially attractive borrower.

The HWWA team spent several weeks in China last year visiting Peking and different provinces. They concluded that

at present China's foreign debt ceiling is around \$6,000m, a finding based on the difference between the 6.4 per cent of gross national product accounted for by cash-financed imports and China's exports which represent 6.6 per cent of gross national product.

China's debt potential would double with every doubling of the 0.2 per cent gap which exists at present between its export and import shares of gross national product. Under what are termed "thoroughly realistic assumptions" the gap could widen to one percentage point and therefore allow a total foreign debt of \$30,000m the study says.

The HWWA believes that China's present borrowing policy is too conservative, even in the unlikely event of the country being unable to expand its export surplus.

According to the institute China plans to borrow no more than \$2,570m at present.

Mr Lief Mills: unfair report will make things worse.

Dr Johnson says that although the three staff associations have withdrawn from joint discussions, the ball is firmly in BIFU's court; he points out there is a firm foundation for creating a single union.

Since withdrawing from the Johnson talks, the staff associations have decided to set up a new union, the Clearing Banks Union. Dr Johnson says this "demonstrates the will to give up superiority as well as disavowment at what they see clearly as the prevarication on the part of BIFU."

The report has angered BIFU, whose general secretary, Mr Lief Mills, writes in a letter to Dr Johnson: "I am afraid I find your assessment unfair and indeed its publication can only exacerbate the position."

"You could just as well have said that the ball is firmly in the court of the staff associations in that if they signed heads of agreement with us and got into immediate working parties, then no doubt we could produce constitutions fairly quickly. This is how we see the position."

BIFU, a TUC-affiliated union, believes that the staff associations are not interested in belonging to a "real" union, and the associations are afraid of being swallowed up by BIFU.

Rapid increase in China's
foreign debts predicted

From Peter Norman

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Healey & Baker
Your link with
the complex world of
international real estate.Wage rises
running at
12-16 pc

Patricia Tisdall

Management Correspondent

A trend in wage settlements towards longer holidays but few concessions in reducing weekly hours of working was reported by the Confederation of British Industry's pay databank at the weekend. There are wide variations in levels but the majority of settlements are for pay rises of between 12 per cent and 16 per cent, showing no change on the first databank figures in the present series issued early in December.

Agreements recorded in the databank now cover around 4 million workers in the private and the public sector. Nearly 40 per cent of the settlements contain clauses allowing longer holidays but in very few instances have employees conceded shorter working weeks. Nearly one third of the settlements include productivity elements and a third also contain measures to adjust differentials.

Employers' fears that the settlement on shorter hours, eventually reached by engineering manual workers last Autumn, would spread to other categories appear to be unfounded. The engineers' agreement reduced the normal working week to 39 hours. However, this will not take effect until November 1, 1981. The engineers' agreement also allowed a steady increase in annual holidays from the present 22 days to five weeks from November 1, 1982.

The CBI's data bank questionnaire has provided more information about the factors influencing settlements. For example, the cost of living was considered a very important factor in pushing up the level of pay rises by 50 per cent of respondents. Nearly a third considered the need to recruit and retain labour was an important factor in granting higher wages.

Pay claims this year recorded by the CBI continue at a high rate, mainly in the 20 to 30 per cent range. However, as in previous years, claims are proving to be a poor guide to the final level of settlements.

Shipping plan would
add 7 pc to subsidies

By Peter Hill

Industrial Editor

Revised proposals for a scrap-and-build scheme for the EEC's shipbuilding and shiprepair industries are being discussed with the European Commission, but agreement on the scale and form of any scheme is unlikely to be reached before the end of next month.

At its meeting at the end of last year the Council of Ministers failed to agree on a scheme outlined by the Commission, based on 2 million tons of merchant shipping being scrapped in three years with 4 million tons of new orders being placed. The aim of the scheme is to improve the competitive nature of the EEC's merchant fleet and secure the jobs of thousands of shipyard workers.

The scheme would have enabled owners to qualify for a payment for each new order—placed with a Community yard—provided that the owner scrapped twice the equivalent tonnage. This would qualify for a further payment, equivalent to the difference between the scrapping price and the second-hand price of the vessels.

Britain has been among the

most fervent advocates of a scrap-and-build policy, provided it was operated on a cost-effective basis, on the grounds that it would provide the opportunity for stimulating at least some orders which might otherwise not be placed.

British Shipbuilders has taken a particularly active interest in the plan and has advocated a scheme which would maintain the same tonnage targets spread over an unspecified period. If adopted the scheme could be dropped at any time should market conditions and demand improve.

It is generally accepted, however, that the operation of any scrap-and-build scheme would add a further 7 per cent to overall subsidies. Officials believe that a more realistic scheme could involve half a million tons of merchant shipping being ordered against a scrapping of 1 million tons with the scheme reduced from the original three years to two years. The scheme would get off the ground at all will depend on forthcoming discussions between Viscount Davidson, the Industry Commissioner and officials of the competition department.

Wall Street faces stagflation instead of inflation
US slump 'will not be severe'

Bank economists are not generally held in high esteem along Wall Street; they have been wrong too often. But Dr Gary Wengowski is a notable exception. He enjoys a solid reputation for thorough, commonsense, analysis and his reports are influential. His latest forecast predicts "a very mild decline in business activity during the next six months."

Dr Wengowski is a partner at Goldman, Sachs and Co and director of economic research. The long-heralded American recession has still not arrived, but Dr Wengowski says it is coming. But it is a "stagflation" rather than a severe slump that will typify the American economy in 1980.

According to Dr Wengowski the rate of inflation between the end of 1979 and the end of 1980 will be 11 per cent. He sees the rate moderating slightly as the year progresses, but he leaves little doubt that inflation will remain.

He sees some further tightening of general credit conditions leading to a weakening in economic activity, but he points out that the Federal Reserve Board has not sought to impose a full credit squeeze. He goes to some lengths to argue that the Fed's present policies are

of only moderate restraint and that the Fed "is trying to avoid a policy that would cause a steep recession."

Many economists expected a recession some time ago and some expected the United States to be in the middle of a severe slump. Few experts have managed to explain convincingly why reduced savings, high personal debts, record high interest rates and cruel inflation rates did not combine to undermine consumer spending and business outlays and cause a slump in 1979.

Dr Wengowski's explanation is that people still have little basis for the expected inflation in the goods whose purchase is financed.

Dr Wengowski and his colleagues say that this does indicate that consumer spending will not fall. But it explains to some extent the recent for-

midable retail sales and suggests that a sudden collapse of consumer demand, leading to a steep recession, is improbable.

The Goldman Sachs experts expect a softening of consumer demand based on the regular University of Michigan consumer attitude surveys. The latest show consumers worrying more about savings levels and that the tighter money policies introduced by the Federal Reserve Board on October 6 have tended to dampen consumer spending.

The recent strength of consumer demand has tended to support somewhat greater than expected business investment spending. Dr Wengowski believes that corporations will gradually start cutting their spending plans as consumer demand softens. Indeed, he expects a nominal rise of only 10.5 per cent in business plant and equipment outlays.

Dr Wengowski thinks there will be no sharp business inventory cuts, given the already modest level of business stocks. He sees a mild recession in the next six months, followed by a long, sluggish recovery.

Frank Vogl
in Washington

THE POUND

	Bank buys	Bank sells
Australia \$	2.09	2.02
Canada \$	25.50	27.50
Denmark Kr	67.50	64.00
France Fr	2.69	2.62
Germany Dm	12.55	12.00
Italy Lit	6.68	6.28
Japan Yn	9.38	8.98
Netherlands Gld	4.67	4.50
Norway Kr	11.52	11.02
Portugal Esc	115.00	110.00
Spain Ptas	1.88	1.80
South Africa Rd	155.00	148.00
Sweden Kr	9.68	9.28
Switzerland Fr	3.75	3.52
USA \$	2.31	2.25
Yugoslavia Dnr	53.00	49.00

Notes for small denomination bank notes: international 100 different currencies, 100 different currencies, 100 different currencies.

MANAGEMENT

Adding spice to the annual 'milk round'

The "milk run" begins this week. It is a memory service for both sets of participants.

On the one hand there are the nervous undergraduates, struggling with numb minds to comprehend these requests to explain where they expect to be by 45 (dead?); and on the other there are the weary recruiters, jaws aching with the effort of smiling reassuringly, enthusiasm dulled by the difference of undecided applicants.

My memories, however, are 10 years old, and I am aware that things have changed a great deal since then.

In one respect the change is evident in the figures. Many more graduates now go into industry and commerce. As the accompanying table shows, those who graduated from universities during 1978 (the 1979 figures are still being gathered), 45 per cent found permanent employment more or less immediately; and of those about 27 per cent went into manufacturing industry, another 4 per cent into the building business and some 8.5 per cent into the retail industry.

Of course, there are various reasons for the change. The decline in the status of competing occupations (teaching being an obvious example); increased expertise in industrial and commercial companies in giving graduates jobs they want to do; and money.

Among those reasons, however, some weight should almost certainly be given to the foundation, a decade ago, of the Standing Conference of Employers of Graduates and its cooperation with the National Union of Students and the Association of Graduate Careers Advisory Services, in establishing a code of conduct for members. This code is now being revised, for the first time since it was written; and its revision in part reflects some interesting developments in the recruitment of graduates.

Savings on the company car fleets

Giving cars to company employees may be a cheap way of increasing their rewards, but it is not necessarily a simple matter—particularly when the employer agrees to meet, not merely the initial cost of the purchase, but also the running charges.

Of course, there are big savings to be made from the discounts on buying a fleet; but the costs of managing it will be large. It is the contention of Slough-based PHH Services that it is possible to cut down both the costs and the worry by turning the whole business over to them.

The company offers a service in five parts: advice, finance (through a company jointly owned by its American parent and County Bank), purchase, operation and sale. Of these, it is the first that really distinguishes the company's operations from other forms of fleet management.

PHH now has some 160 clients in the United Kingdom, on whose behalf it operates some 12,000 cars. The whole operation is computerized and PHH says that it has a data bank which indicates quite clearly what sort of a car a client should be using, what sort of performance he can expect from it and what sort of price he can look for from it at the end of its fleet life.

The employee of a PHH client (and the company says that it will take on the management of anything between 50 and 1500 vehicles) gets a service card, which enables

The various provisions of the code—that careers advisory services will treat all students and employers impartially, that employers will provide up to date and non-discriminatory information about their companies and their jobs, that students will turn up to interviews on time, and withdraw formally if they withdraw at all, and so on—were all designed to increase the confidence of all three parties in what is, after all, a rather peculiar exercise. That is all well and good—perhaps a little over-protective, but basically good.

Among these provisions, however, was one under which the career advisory services committed themselves to turning down deals with the commercial employment agencies, unless those agencies conformed to their rules and, in particular, named the employers on whose behalf they were interviewing. That commitment has effectively kept the commercial agencies (except for the occasional specialist, eg in accountancy) out of the milk round.

This year, however, Brook Street Executive Resources has blown the whole question wide open (and itself into a rather lucrative little area of business), with a scheme which is so patently in the interests of both recruits and employers that the relevant clause in the code of conduct is having to be revised.

Executive Resources (the up-market end of the sectorial agency, though I doubt that Marjorie Hought would accept the qualification) has agreed to do the milk round on behalf of 15 companies too small to contemplate the grind involved themselves and one or two big ones disinclined to commit their men to the time and expense of visiting "unfashionable" universities from which they traditionally derive few recruits.

Thanks to economies of scale, Executive Resources can make money on the business and its recruiters are in fact to visit 31 universities. The small com-

pany to charge to PHH's account any service and maintenance undertaken by a network of franchised dealers to which his own "favourite" garage can be added if required. The company charges the bills and re-invoices them to his employer, charging a fee for the service which, on average, works out at 0.3p a mile.

PHH reckons that its checking is sufficiently sensitive to pick up, for instance, persistent switching of tyres (or petrol) to the second car in the family, not to mention inadequate servicing, or poorly done repairs.

The net result, according to the company, is a saving of some 1p a mile, or £200 a year on the typical company car. Also, choice of the right car for the job in the first place and a programme of selling it at the right moment (some two-and-a-quarter years after purchase on average), produce better than expected resale values: PHH estimates that it produces for its clients a £200 a car more on resale than they expected to get themselves.

Like its principal rival Geico, PHH is the United Kingdom subsidiary of an American company, in this case PHH Group, which bills itself as the world's leading management services company. Another of the management services into which PHH is expanding in the United Kingdom is the relocation of executives, which effectively means taking off them the hassle of selling their homes, and some of the hassle of finding a new one.

Many of the clients in the first year of operation have been American companies moving people into the United Kingdom, but it is an idea which appears to find favour with domestic customers, too.

A.G.



Students at Oxford: more graduates now go into industry and commerce.

FATE OF GRADUATES WHO TOOK THEIR FIRST DEGREE IN 1978

Destination	University	Graduating from Polytechnic
Further education, vocational training, temp. employment, other	34,674	8,904
Known to have entered permanent employment	28,382	6,976
Of whom:		
Manufacturing industry	7,719	1,735
Building industry	1,232	670
Public utilities	1,134	188
Chartered accountancy	2,739	247
Banking and insurance	1,070	119
Commerce	2,453	1,027
Solicitors (in private practice)	988	50
Public service	7,443	1,349
Other	3,584	1,653
Total:	83,056	16,470

Source: Central Services Unit for University and Polytechnic Advisory Services.

pany in search of a single recruit could not possibly contemplate such a peregrination.

If this experiment proves to be a success (and there is no reason to suppose that bright undergraduates are any less swayed by the glamour and growth prospects of the vigorous small company, than, say, their older brethren in the City), then there is obviously a role for the commercial agency in the business of graduate recruitment—and for the graduate in the small company.

Experience so far this year suggests that, despite forecasts of economic doom, industry in general is prepared to increase its intake of graduates in order to maintain management succession over the longer term. At Cambridge, for example, as against the 298 companies that

came during the 1979 milk round, there are 306 lined up for 1980 already.

But, as those companies experienced in recruiting graduates have found out the hard way, the way to get the best out of them is not merely to recruit and to go on recruiting through boom and bust. As Mr David Jowett, head of training at Esso and chairman of the Standing Conference of Employers of Graduates points out, it's also a matter of using them properly once you have them. In terms of what that means is putting them to work at "proper job" early on and leaving until later attempts to broaden their view.

Adrienne Gleeson

Education as a way of work

A new approach to management training is nearing completion at Cranfield School of Management. The scheme, the Cranfield Management Resource, is intended to take management educational programmes into companies themselves.

The courses are intended to be of the same standard as residential ones, but flexible enough to be adaptable to individual needs. One of their main strengths is that they are designed to incorporate line managers' expertise and knowledge, as well as that of company training executives.

Another is that they should allow genuine collaboration between company training managers and the faculty of a business school.

Each programme is designed to run for up to 60 hours—that is, the equivalent of a two-week full-time programme. But it is sufficiently flexible for firms to select only six or 18 hours for their specific needs. Training can also be deferred or intensified according to the work pressures on individuals.

It is intended that participants in the scheme will receive attendance credits which may enable them to become eligible for Cranfield's postgraduate Certificate, Diploma or Master of Management and Administration qualifications.

The concept is similar to that used by the Open University and the Open University did take place between Cranfield and the Open University about the possibility of a joint scheme. These

proved abortive but negotiations are still in progress with other management schools. If the scheme develops, it may do so on a basis of collaboration. The first area to be covered is marketing management. A package of written, audio and visual material is due to be ready by early summer. Other courses, further back in the pipeline, are in financial analysis, manufacturing strategy, employee relations and entrepreneurship in management.

Each of the courses, which are intended for junior and middle management grades, will operate on three levels ranging from concept, and the development of functional skills, to business strategy and practice.

An important feature of the design is the facility to slot material relating to particular companies into the programme. Preliminary research showed that company training executives believed that junior and middle management, in particular, benefited from working with material which applied specifically to their own companies.

The low cost is one of the great benefits of internal training schemes. Cranfield is still working out the details of its Management Resource scheme, but it looks as though it will work out somewhere between £100 and £200 for a week's tuition per person. This is less than half the price of the full-time residential equivalent but does, of course, exclude the cost of such ingredients as the time of the company's own training executive or line managers.

Patricia Tisdall

for top personnel. Designed for chairmen and chief executives involved in hiring them or anyone trying to measure up their own worth against the market. A great deal of information, in an uncomfortable format. Gower Publishing (£9.50 or £15 for two editions).

Industrial relations: an introduction for accountants; an analytical, clear, unpretentious guide to terms and procedures. Available from the Publications Department, The Institute of Chartered Accountants in England and Wales (address as above).

Business Enterprises in the EEC: large amount of information on EEC countries, from type of government to the status of establishing a subsidiary company of a branch, including information on licences and controls, taxes and government assistance, all presented in comparative format. Available from The Publications Department, The Institute of Chartered Accountants in England and Wales, PO Box 433, Charterhouse Square, London EC2P 2BJ (£4.95).

Rewarding top management: new guide, to be updated every six months, to cash and perks

Towards a fresh definition of redundancy

Last November Lord Denning gave a lecture at the British Academy on "Our present dislocation of the law relating to redundancy which he referred to as the law relating to unfair dismissal."

Those who feel most aggrieved by this legislation are employers and managers—especially those involved in the running of small businesses. To them, the legal provisions seem to give so much protection to the interests of the employee, that it is difficult to increase efficiency.

Some of their criticisms are met in the Government's recently published Employment Bill. Among the proposed amendments to the law on unfair dismissal, clause 5 imposes a statutory duty on tribunals deciding whether or not a dismissal was unfair, to take into account the size and administrative resources of the employer. In practice, however, tribunals should be doing that already.

Once the employer has shown what the reason for dismissal was, clause 5 also requires the tribunal to show that he acted reasonably. A tribunal will still have to decide whether he was reasonable or not, but he does not himself have to set out to prove it.

Now, with fewer than 20 employees, get assistance in clause 7, which excludes their employees from the right to take them to a tribunal for unfair dismissal during the two years following engagement of the first employee.

Small businesses should find some (limited) encouragement here. However, it is not only members of the Government who think that the present law is too heavily weighted in favour of the employee. In certain cases members of the judiciary (and not only Lord Denning) appear to think so.

For example, there was recently a case before the Employment Appeal Tribunal (O'Hare v. R. O'Hare & Co. [1979] 1 All E.R. 1000, [1979] 1 W.L.R. 1000, [1979] 1 Q.B. 1000). The question was whether or not two employees had been unfairly dismissed in respect of an alleged redundancy.

It is important to realize that an employee may be made redundant and yet be unfairly dismissed. For example, he may be dismissed in breach of an agreed redundancy procedure.

Recruitment had decided to increase production, in the hope that sales would rise, so extra staff were taken on. Unfortunately, the expected increase in sales never materialized because the product cost too much. The management therefore decided to reduce the workforce by 10 per cent. They did not intend to reduce output, but only the wage bill.

The two employees involved in the case were sacked and given redundancy payments by the company. They nevertheless complained to an industrial tribunal that they had been unfairly dismissed. The tribunal accepted that they were redundant but decided that they were not unfairly dismissed.

The employees appealed. The Employment Appeal Tribunal upheld the industrial tribunal's decision, but on the ground that they were not unfairly dismissed, but in addition to that it questioned whether they had in fact been made "redundant" in the first place.

Section 81 of the Employment Protection (Consolidation) Act 1978 states that there is a redundancy if the requirement for work of a particular kind has ceased or diminished. In this case, the requirement never came into being.

The EAT said that where management takes a justifiable risk and plans an increase in production, but that increase never comes about, the company should not incur additional penalty in having to make redundancy payments. What is more, they said, public funds (in the form of a redundancy fund) should not be used in such a case.

Nevertheless—and here is the rub—the appeal tribunal appears to have thought that the law as it stands might well oblige an employer to make redundancy payments in such circumstances. So they called for a review of the present law.

In Article 1 of the Council of the EEC Directive on Collective Redundancies, they are defined as "dismissals effected by an employer for one or more reasons not related to the individual worker concerned."

Were a more restrictive definition of redundancy to be adopted in Great Britain, as the members of the Appeal Tribunal suggest, it would draw out legislation even further away from that of our fellow Europeans.

John Bryant

LETTERS TO THE EDITOR

Why onshore exploration has been so slow-moving in Britain

From Michael D. Seymour and others
Sir, Sir Peter Kent and Sir Kingsley Dunham suggest (Letters, January 9), that the nationalization without compensation by the Conservative Government in 1934 of undiscovered hydrocarbons has been successful in encouraging exploration for oil and gas on land in the United Kingdom. They advocate the nationalization of undiscovered minerals. In fact, experience since 1934 demonstrates the opposite.

The United Kingdom contains 88,000 square miles of land of which a very major part comprises sedimentary basins with potential for commercial hydrocarbons. Since 1934 a mere 362 exploration and appraisal wells have been drilled and these have resulted in the discovery of only a relatively small number of scattered fields which together produce currently a total of about 2,700 barrels per day. And of this, some 40 per cent comes from one field, namely Wytch Farm. Total onshore production therefore stands at a rate of 0.17 per cent of the production rate from offshore.

It is preposterous to suggest that the Department of Energy supervising operations from an environmental angle. The extent to which one would wish to see

the landowner generally owns the mineral rights, is convinced that he has oil waiting to be discovered and that everything he can to persuade oil companies to drill upon his land in return for a cash payment and a free share of any oil found.

In the United Kingdom the landowner gets no share of any profits but only a negligible compensation for the damage to his land and inconvenience caused to him, and perhaps a nominal payment for having his land used for pipelines etc. If he refuses to come to terms his land may be compulsorily purchased from him. No wonder that despite all the encouragement of the Department of Energy onshore exploration in the United Kingdom has been so lethargic.

If landowners received a share of the profits generated by hydrocarbons found on their land—and perhaps the local community should also receive a share—the United Kingdom would soon receive the serious amount of drilling which it deserves.

The above does not in any way preclude the role of an active Department of Energy supervising operations from an environmental angle. The extent to which one would wish to see

the United Kingdom developed as an oil province, naturally must respect a careful balance between conflicting interests. However we strongly assert that the 1934 Act has behind the fundamentally poor achievements in the search for hydrocarbons.

Following on from this, it would be our clear recommendation that as and when during the next decade the Government wishes to see the nation's indigenous mineral resources developed they should not embark upon such a nationalization programme as Sir Peter and Sir Kingsley advocate. The programme would take away from the landowner the rights which are currently his. If the development of our resources is to be achieved with any degree of success the landowner himself must be allowed every opportunity to join in the operations on his own land and participate in the profits which might arise from them. What is required is legislation encouraging landowners to have their land properly explored.

Yours sincerely,
MICHAEL D. SEYMOUR,
ROBERT K. M. KENNEDY,
FRANK SHARRATT,
84 Palace Court,
London, W2.

Falklands oil: need for a cautious approach

From Lord Shackleton and others

Sir, By injecting controversy into his article of December 17 on OH in the Falklands, your correspondent, Michael Frenchman, not only gives a misleading picture of the current situation, but more importantly does not pay sufficient regard to the true interests of the Falkland Islanders themselves. We would like to set the record straight on a few points.

First, there is no justification for postulating at this stage the size of possible hydrocarbon deposits in the Malvinas sedimentary basin between the Islands and the Argentinian mainland. The results of the recent seismic surveys indicate only that in some areas the structure and size of the sedimentary section are such as to justify proceeding to the next stage of exploration—ie drilling.

As recent disappointing exploration off the east coast of the United States has shown, until drilling has taken place it is quite impossible to put forward any credible estimates of possible oil reserves for the offshore area of the Falklands. A responsible professional opinion would reject the estimates of the 1975 Geological Survey to which your correspondent refers, based as they were on a series of quite unsustainable hypothetical assumptions.

Secondly, contrary to the claims of consultants quoted by Mr Frenchman, although the servicing of any offshore drilling activity in the Malvinas Basin may be most conveniently conducted from the Falklands, it does not have to take place from the Islands.

The major consideration in deciding to what degree such activity should be based there, and how it would be operated, must be the subject for a difficult and sensitive judgement on the part of the Islanders. From the 1976 Economic Survey Report and from other enquiries they are mostly well aware of the impact which oil exploration and production activities has had on the residual industries of Shetland and these islands have a native population of 17,000 compared with the 1,900 in the Falklands.

We would therefore strongly urge a cautious approach by the United Kingdom and Falkland Island governments to offshore oil exploration. Speculation of the kind indulged in Mr Frenchman's article can only further unsettle a community already disturbed by years of political and economic uncertainty.

Yours, etc.
LORD SHACKLETON,
H. R. WARMAN,
RICHARD JOHNSON,
House of Lords,
January 10.

Government must state its engineering priorities

From Professor R. J. Surry

Sir, There can be no doubt that national prosperity depends heavily on wealth creating industry in which engineering has a preeminent role. The Finlinton Committee of Inquiry into the Engineering Profession has identified a number of important factors that influence professional engineering training and practice and hence the business attachment of manufacturing industries.

The report argues that engineering education must be reformed so that engineering graduates are equipped with the skills and knowledge to meet the demands of a modern and changing society. It also calls for a more integrated approach to engineering education, one that combines theoretical knowledge with practical experience.

Such a pattern for engineering education may be thoroughly justified but the lead time will be long where major changes become necessary. It could be several years before some institutions would be able to offer the first batch of new graduates. Adding time for industrial experience, we approach the end of the century before engineers from the new programmes attain positions of significant authority and can influence industrial thinking.

Fortunately, a few universities have long believed that engineering courses should integrate industrial practice and professional training. Their four-year courses therefore approach the Finlinton recommendation.

Recently some Loughborough among them, have introduced a further year of study for a proportion of high-calibre students. We welcome the intention of the Finlinton proposals and hope that such existing patterns of education and training will be recognized by the Government as having moved in the direction recommended.

For maximum advantage to be derived from Finlinton or near-Finlinton type of engineering courses it is essential that the Government should act quickly to foster them. The overall cut-back in university finance is leading to a general reduction in the number of places available for engineering students and output of engineering departments. Current planning by universities for the coming quadrennium is having to proceed with so far little, if any, specific indication from government of any particular intention to strengthen or even preserve resources for engineering education.

My colleagues and I hope that the report will now lead to a positive direction being given which recognizes a balance of priorities and the crucial importance of sustaining and hence developing strengthened programmes in engineering education and training.

Yours faithfully,
R. J. SURRY,
Dean of Engineering,
University of Technology,
Loughborough,
Leicestershire, LE11 3TU,
Jan. 10.

Financial needs of the BSC

From Mrs J. Cohen

Sir, Civil servants do not usually reply to letters in the press but I must write with the field of responsibility, but as the assistant secretary responsible for British Steel Corporation finances I feel bound to correct a factual error in the letter from Mr E. H. Woolf published in your columns on January 10.

Prior to April, 1978, the BSC was financed by a mixture of loans and equity capital, and there was a requirement that this equity capital should be remunerated at a rate not less than that which would have been payable on the National Loans Fund loans.

However, since April, 1978, all the corporation's external financial requirements (other than short-term) have been met by subscriptions of capital under section 13(1) of the Iron and Steel Act, 1975. £1,505m has been subscribed since April, 1978, and none of this carries any interest. The corporation will only be required to pay dividends on this money after a capital reconstruction.

Yours faithfully,
MRS J. COHEN,
Department of Industry,
Ashdown House,
123 Victoria Street,
London SW1E 6RB.

Involving the company's workforce

From Mr Roy Earnshaw

Sir, Mr Colin Minton's letter (Letters, January 7) makes a lot of sense.

The Export Year campaign, which is sponsored by Export Unions, have been encouraging companies to spend more time in efforts to find ways and means to inform and involve all members of the workforce. The main sponsors are the CBI, the Institute of Management, the Association of British Chambers of Commerce—who seem to find themselves in complete agreement on this subject.

We have been concentrating on exports in these campaigns, simply because our balance of payments is so long amongst our economic problems. The principles we have been advocating, however, apply equally to all aspects of industry and commerce.

Although progress has been slow, the campaign has encouraged me to feel that there exists a strong conviction in the mind of many on both sides that there is real hope of avoiding the much-feared economic consequences which can result from grips with this problem. Much has already been achieved, but it is vital that more boardrooms do exactly what Colin Minton suggests, and handle the question as an equal importance to, say, investment, product and market developments and acquisitions.

Any companies which would like further advice or assistance (free) are invited to write to me.

Yours faithfully,
ROY EARNSHAW,
Export Unions Trade Board,
1 Victor Street,
London, SW1E 0ET.

CHECKLIST

Inflation accounting: Current cost accounting standard expected to be published on March 31, to apply from January 1.

Small business mortgages: mortgages of between £10,000 and £25,000 are to be made available to members of the National Federation of the Self Employed and Small Businesses from a pension fund for federation members run by City of Westminster Assurance. Corporate finance under floating exchange rates: an update

to John Chown's Foreign Currency Debt Management, is now out. Besides, a general index explaining how exchange rates and other factors interact and suggesting approaches to the ensuing problems there are comprehensive technical chapters on tax treatment, exchange control (covering the United States, Germany, Switzerland, Japan, The Netherlands and other countries) and the accounting treatment of currency exposure. Available from F. Chown & Co Ltd, 108 Cannon St, London, EC4, or from City Forum Ltd, Nelson House, 2 Pierpoint St, Bath BA1 1LB (£80).

Industry in the regions

Small businesses must grow to create jobs in Scotland

Large-scale development of small-scale business industry has become an attractive response to the plight facing some sections of Scottish industry. A number of reports searching for an answer to the massive decline in heavy industry has suggested that small entrepreneurs should be encouraged to set up shop on a wider scale.

It is fair to say that the attention is because the small businessman has been recognized suddenly as a threat in Scottish industry that can be extended, or does it spring from the dismayed realization that labour-intensive factories on the scale of Singer, Goodyear, Massey-Ferguson, Marathon or

any of the other departing giants are unlikely to appear? The weakening of automatic processes have speeded this change and added to the despair felt in the west of Scotland, which has traditionally relied on industries that require many hands and much muscle.

Replacing an operation the size of Singer, which employed 23,000 at its peak and will have about 2,000 by the time it closes in June, would be impossible merely by opening a series of small workshops. So often, as the Midlands can show, the small business relies on a large firm for sub-contract work.

Even so, the Scottish Council (Development and Industry), BSC (Industry) Ltd, and the Scottish Development Agency, which has a division devoted to small businesses, have all recently underlined the importance of encouraging this spectrum of industry. In rural Scotland, the Highlands and Islands Development Board has promoted a large number of craft workshops and other small ventures, with the aim of encouraging industry and preventing further drift from the region.

Businesses employing fewer than 200 people account for 98 per cent of all Scottish companies and for almost 60 per

cent of employment, but the record suggests that Japan, Germany and America establish small companies at a faster rate in spite of the Government encouragement provided in Scotland.

Ventures judged to be worthwhile may receive financial help from the SDA small businesses division at interest rates normally available only to Blue Chip companies. There is also a wealth of expertise and advice provided through the agency, but a scarcity of ideas coming forward. A New Venture Executive, set up with a backing of risk capital to help technological advanced ideas, is still searching for its first

idea that is both good and commercially sound.

But earlier enterprises helped by the division have prospered. A firm now employing 25 making machines for ultrasonic diagnosis has a turnover approaching £1m. Mr M. J. Gassett, joint managing director, commented: "Small is beautiful only for a while. If small industry is to be successful, it has to become big. If we failed to grow in the space of time, we would die, simply because we are competing in a marketplace where giants dominate. Small companies are a bit like ferrets fighting bigger animals."

Ronald Faux

Interpretation of the Employment Bill

From Mr M. Hopkins

Sir, While we can only speculate on the future uses and abuses of the Employment Bill when it becomes an Act, I would like to make an amendment to Mr Sansom's interpretation of Clause 6 (January 4) but in agreeing with the interpretation in relation to the Times report of December 20.

Clause 6 does, among other things, restrict the operation of S.53 (3) of the Employment Protection (Consolidation) Act 1978 which makes dismissal in pursuance of a union membership agreement (UMA) fair (with an exception). It says that "dismissal shall be unfair... if the agreement has not been approved in accordance with S.58A (ballots on UMA's the 80% clause) and

another ground not here at issue.

The point is that once the dismissal and its reason have been established as coming within the clause, the tribunal must hold that the dismissal was unfair, it is not at the discretion of the tribunal as may be suggested by Mr Sansom's valued comment. The tribunal's discretion may be exercised (within given limits) in deciding the amount of compensation due.

What this clause of the Employment Bill really does is to throw the responsibility for deciding the terms and conditions of employment of an employee onto the employer. The Bill merely sets some minimum

standard and names the price for failure to achieve it—it does not stop the conclusion of a "closed shop" with less than 80 per cent support in the same way that the Theft Act 1968 does not stop a man from stealing his neighbour's car, it merely sets out the penalties.

Perhaps we, as employers, should not seek to hide behind the law but should judge by our own consciences what is "fair and reasonable" in relation to our employees.

Yours faithfully,
M. HOPKINS,
Personnel Manager,
The Wilton Royal Carpet Factory Ltd,
Wilton,
Salisbury,
SP2 0AY.

BY THE FINANCIAL EDITOR

Stamp duty without exchange control

Whether it is recognized by the Government or not, the ending of exchange controls has removed yet another of the props from the Stock Exchange. The Stock Exchange has long campaigned for this disincentive to small investors in particular to be removed, and did actually succeed so far as fixed interest securities were concerned.

In theory the ending of controls means that United Kingdom investors can simply bypass the London market—and so stamp duty—by buying United Kingdom securities through overseas bourses. In practice it is not as easy as that since it can only be done through a dealing company registered abroad and United Kingdom stockbrokers report few signs of this happening so far.

But as long ago as 1976 the European Commission recommended that the maximum level for stamp duty should be 0.6 per cent which is the highest rate ruling in an EEC country (France) compared with Britain's 2 per cent. Because it is collected by stockbrokers, stamp duty is a relatively efficient tax but some big institutions like charities and short-term operators are exempt.

The Tories have been consistent critics of stamp duty on house purchase. One wonders whether political expediency—in this case the need for tax revenues (stamp duty yields something over £400m), in the face of the apparently widening public sector borrowing requirement—will again overcome principles.

In fact, after 40 years of refining exchange controls, it could hardly have been expected that their virtual overnight dismantling would have been effected without raising issues such as this, and it is beginning to look, as though their abolition was based more on political conviction than any real attempt to think through the full implications of the change.

First there was the Governor of the Bank of England's polite warning to the banking system not to allow corporate customers to "escape the onerous restrictions through borrowing overseas." If the proposed changes in the monetary control system had been introduced before the ending of exchange controls, this would not have been necessary.

The clearing banks, who would circumvent such a request at their peril, have been particularly critical at the competitive disadvantage this puts them in compared with foreign banks in London, who in the case of the American banks at least, have been whittling away the clearer's corporate share in recent years.

Second, the Bank of England has issued guidelines to the banking system about what its prudent foreign exchange exposure should be. Some of the clearing banks at least feel these are unduly restrictive especially when the year supposed to enjoy complete freedom in the management of their currency holdings.

Then last week there was the Inland Revenue's change of direction in not allowing United Kingdom companies borrowing in the Eurobond market to pay interest gross of tax. The Revenue's argument that it is a nonsense to allow one United Kingdom resident to pay interest gross to another is perfectly reasonable.

But it completely misunderstands the nature of the Eurobond market where the *raison d'être* of floating issues free of withholding tax is that they are made in several countries at once.

If they were subject to withholding tax, the after-tax yield would vary from country to country depending on double-taxation agreements so making it almost impossible to issue a bond that would appeal to investors with varying tax positions.

No doubt the revenue was more influenced by the fact that Eurobonds are in bearer form where there is no record of ownership and interest payments difficult to trace. But the net result is that foreign borrowing by United Kingdom companies, which exchange control removal was supposed to encourage, will be more expensive if overseas finance companies have to be set up while British investors can go on buying non-sterling Eurobonds on exactly the same terms as before.

Special steels

Now in the firing line

Even without the steel strike the outlook for Britain's private steel groups would be looking fairly grim. Most special steel companies are highly geared, having been weakened by the engineering strike last year.

So far special steel groups like Aurora, Johnson Firth Brown and smaller firms like

Neepsend and Spencer Clark have been allowed to carry on more or less normally. But it would only be a matter of weeks before shortages of strip in the car and consumer durables industries led to a drying up of demand for specials.

Meanwhile, companies with sufficient melting capacity to be considered BSC competitors like Lonrho's Dunford subsidiary, GKN and also JFB, are, at least as far as ISTC headquarters is concerned, free to carry on their business so long as they do not attempt to exploit the situation.

But this could change tomorrow when the ISTC is set to consider extending the strike into the private sector.

How long a shutdown some special steels groups could endure is a moot point. Many are carrying heavy borrowings already. Aurora, which rounded off a substantial rationalization campaign in the Sheffield industry through a takeover of Edgar Allen Belfour last year, is now 90 per cent geared. Johnson Firth Brown's gearing is close to 70 per cent although, like Aurora, it has passed its spending hump and had until the BSC debacle been expecting to start chipping away at a £19m overdraft this year.

If the strike really begins to bite much also depends on what sort of support might be given by institutions—particularly in the case of Aurora, which has been something of an institutional protegee. Certainly, there was evidence of institutional support for engineering companies during last year's strike.

Meanwhile, though, historic yields in the 15 to 17 per cent range are common in the sector, though justified given the risks.

"Insider" laws

Incidental damage

Legislation on insider dealing has been under consideration for the best part of a decade: but in the event it looks like making its way onto the statute book in something of a rush. Detailed legislative proposals were published only a couple of weeks before the Companies Bill itself, and though they were in substance little different from the proposals put forward in the *White Paper* in July 1978, this hasty procedure has given rise to a certain amount of tut-tutting in the more chaste recesses of the legal world.

That said, there has been no significant criticism of the drafting: the controversy, insofar as it continues, still hinges on the Bill's intent.

There are two drawbacks to the insider dealing clauses as they stand. The first is almost certainly endemic to any proposals to tackle this problem by way of prosecution after the offence: namely, that a fair amount of incidental damage is caused whenever a hammer is taken to crack a nut.

Some of that damage has been foreseen. Hence the Stock Exchange representations—reflected in the legislation now before Parliament—on the role of jobbers and investment analysts.

In one particular respect, the proposed legislation could have effects directly contrary to Government intentions in other areas. Because not only directors, but also all other employees, are liable to prosecution if they deal on price-sensitive information, and the onus is on them to prove that they did not know it—participation by employees in the ownership of their companies is almost certainly going to be a trickier business henceforth.

The problem could, of course, be side-stepped, by a decision to apply the Stock Exchange guidelines on the "safe" periods for dealing; but the net effect of such restrictions will still be to make shares in the companies they work for less attractive to employees.

It is, of course, unlikely that there will be any threat to the share dealing of the great majority of employees. Experience abroad suggests that prosecutions under insider dealing legislation are almost invariably confined to the high earners; and there would obviously be practical difficulties in monitoring the dealings, never mind the intentions, of the whole of a workforce.

But then, that takes us to problem number two: can (and will) this legislation be enforced? And is there any point in having it on the statute book if it turns out, like the litter laws, to be a dead letter?

It could be, as Dr Barry Rider of the Institute of Securities Laws suggests (and as American practice requires), that the best way to tackle the abuse of privileged information, is not to prosecute those who perpetrate the abuse, but to spread the information in the first place.

Fourth TV channel not an easy choice

The Government faces a dilemma over the future of the fourth television channel, a topic which was the subject of renewed speculation late last week.

If we really do see a second commercial channel in operation from its planned start in January 1982, it can only be financed either at the cost of considerable loss of revenue to the Exchequer or the establishment of a system which threatens the companies of ITV 1 and, ultimately, the BBC.

There is one additional choice for the Government and that is to postpone establishment of the channel until happier times. This is not inconceivable despite the Home Office's insistence that a Fourth Channel Bill will be published in February.

It is perfectly feasible for the Home Secretary to outline his ideas for the running of the channel in such a Bill and then leave a date for its formation until some unspecified time in the future.

What has brought the fourth channel question so swiftly to the fore within the Cabinet is the sudden realization that it will prove a costly exercise and one which may prove hard to justify in the light of other government economies.

Public cost

The Conservative Government when it came to power last year quickly overturned Labour's plans for an Open Broadcasting Authority and decided to hand the fourth channel over to independent television.

Such a decision was only to be expected in the light of the new Government's dislike of state institutions.

But all that now looks shaky in the face of a pragmatic assessment of the public cost of the new channel. True, it will receive no public funds and will be financed solely from the revenues of the independent companies under the proposals of the Independent Broadcasting Authority.

What has become increasingly clear, however, is that such a method of financing will drastically affect the amount of levy paid by the companies to the Exchequer.

The Government, which last year received £69m in levy, could lose substantially. Faced with that kind of prospect, the Prime Minister must be expected to question whether a new television channel should remain one of the country's priorities.

The other alternative is to make the fourth channel self-sufficient, which instantly relegates it to just another commercial network competing with ITV 1 for advertising.

That would be the first step down the road to the creation of an American-style broadcasting system in which ratings ruled all.

Relegated

The BBC, already falling behind the commercial companies in the money available for programme-making, would be permanently relegated to the position of a low budget culture channel.

And the operators of ITV 1 would have to stoop to the lowest audience-grabbing denominator to win advertising revenue from its new competitor. The greatest fear would be that those who suffered most would be the free enterprise adherents whose organization and insistence brought about the creation of independent television in the 1950s.

Small wonder, then, that many television executives would rather see the fourth channel put on ice than that there should be an advertising free-for-all scrum.

David Hewson

Pressure for a 'middle way' in consumer protection law

In the field of consumer affairs, which has generated much legislation in recent years, the fashionable thing now is to call for a new, third, or middle, system of law.

The Consumers' Association has canvassed the idea for some time. Mrs Sally Oppenheim, the Minister of State for Consumer Affairs, has gone on record approving it. The Retail Consortium has called for it, and the Commercial Legislation Monitoring Group, formed among major business concerns to protect the cost of consumer legislation, welcomed the idea.

Today the policy committee of the Institute of Trading Standards Administration meets to discuss what its attitude should be to this system of law others are so keen to espouse.

So what is it? And where does the desire for it spring from?

David Teuch, the legal officer of Consumers' Association, is probably the person who has been talking about it longest and most enthusiastically.

He is a formidable champion for any legislative reform, but he is also a realist. He is not talking about anything so ambitious as a whole new system of law. His argument, at least one of them, is that it is wrong to put consumer protection in Britain under such heavy on the criminal law.

At present the sanction the customer uses in his attempt to get his money back or

obtain other satisfaction is either the threat of civil suit or bringing in the trading standards authority, which can result in a criminal penalty. Breaches of complex labelling and price marking regulations are crimes even if the public does not equate them with rape and murder.

How much more speedy and efficient it might be, Mr Teuch suggests, if enforcement officers had the power to settle infringements on the spot, without bringing costly court proceedings.

"Intent to defraud should always remain a crime", he says, "but not infringements which are really unintentional and accidental".

Such things do already happen. Tax commissioners already have power to deal with those who inadvertently omit something from their income tax return. The taxmen can settle the matter by pointing out to the taxpayer that he is in the wrong and suggesting an acceptable administrative penalty to clear the record.

It is this aspect of removing the criminal element that attracts support for the idea from the other side of the buyer-seller relationship.

Richard Weir, director of the Retail Consortium, thinks it appalling that in the last year for which figures are available (1977) there were more than 3,000 prosecutions and nearly 7,500 convictions for non-indicible offences under the principal consumer protection laws.

He claims that the difference between non-indicible offences, those dealt with by summary trial by magistrates, and indicible offences (dealt with by the crown courts) is akin to the difference between a parking offence and dangerous driving. And prosecutions for indicible offences in the consumer field are really rare.

This interpretation would not be universally accepted. Some trading standards officers, (they are responsible for bringing prosecutions in the field) have to take even the worst cases of trader rogues into magistrates' courts because the queue for the crown courts is so long.

Mr Weir believes the middle system of law should evolve from the existing legislation administered by the Office of Fair Trading. Under Part III of the Fair Trading Act, the Director-General of Fair Trading has power to take action against persistent offenders by requiring them to give public undertakings that they will desist their malpractices.

If they repeat the offences thereafter, he can seek an order from the Restrictive Practices Court, and if they breach that they will be in contempt of court and the court will punish them.

Mr Weir would like to see this procedure adopted to provide statutory back-up to voluntary codes of practice agreed between trade associations and the Office of Fair

Trading. He also thinks the director-general should be free to oblige compliance with the codes even on traders who are not members of the associations that have agreed them.

Mr Weir adds though that he would be worried by the implications of a wide extension of administrative law. "The licensing of traders, as in France, would not be acceptable here."

Mrs Oppenheim's concerns are twofold—first, speedy and inexpensive redress for the consumer, and secondly protection for the small businessman in a confusing world. "It is a matter of exemptions", she told me. "Small businessmen should not find themselves hauled before the courts for technical offences in a complex area of law."

What she had in mind seemed to parallel the Department of Trade's present proposals to give dispensation from full auditing requirements to small proprietary companies. Others would prefer that the nature of the offence rather than the size of business committing it should decide in which court of law it should fall.

The debate about the third system of law has just begun. Perhaps now is the time that some body with a proven ability to research complicated issues, such as the National Consumer Council, should set to work to assess all the implications.

Robin Young

Raymond Nottage

State pensions: was contracting out a costly blunder?

EFFECTS OF NO CONTRACTING OUT ON NATIONAL INSURANCE FUND'S SOURCES OF INCOME IN 1980/81

	Contribution rates	13.1% With no contracting out	13.1% With contracting out	Difference
	£1,000m	£1,000m	£1,000m	
Contracted Out (10m)				
Contributions on first £23 of weekly pay	1.58	1.57		
Contributions on pay between £23 and £165 a week (£6.75bn less £3.0bn)	3.75	5.61		
	5.63	7.18	+1.55	
Contracted In (14m)				
Contributions on first £23 of weekly pay	2.84	2.19		
Contributions on pay between £23 and £165 a week	3.83	3.19		
	6.47	5.38	-1.09	
Total net contributions	12.10	12.56		
Treasury supplement	2.70	2.26	-0.44	
Income for benefits payable	14.80	14.82		

Notes
1. The contracted out employees have higher average earnings than the contracted in, and this should be borne in mind in considering the figures for the contributions on pay between £23 and £165 a week. 2. With the 13.1% contribution rate and no contracting out, income from contributions would need to be £12.56bn. To this would be added £2.26bn as the Treasury Supplement (18% of contributions), so producing the £14.80bn to meet the benefits payable.

Fund the following main features:	£m	Employers' contract in/out
Gross contributions before allowing for contracted out reductions	15,100	Results in the private and public sectors:
Ad Treasury Supplement—18% of gross contributions	2,700	Private Public
	17,800	Contracted In Contracted out
Deduct contracted out contribution reductions	3,000	12 5
Income for benefits payable	14,800	17 7

Without the contracting out option a standard joint contribution rate of 13.1 per cent plus the Treasury Supplement of 18 per cent would meet the benefits payable. The accompanying table shows the consequences of changing to this arrangement and so reducing the national insurance contribution rate by 2.65 per cent.

The contracted in employees and their employers would pay £1,000m less than under the present system, and the Treasury would save £450m. The contracted out employers and employees would pay £1,550m more but would be relieved of their liabilities for the state specified earnings-related pensions which they now bear and are presumed to require £3,000m to fund.

Thus, of the 14 million people contracted in, for whom an extra £1,100m—or £78 per employee—will have to be paid in 1980-81, some 12 million are in private sector companies. Through the rebate system for contracted out employees, a half of the additional payments made by these companies will go to the pension funds of their contracted out kin and kin in the private sector, and much of the remainder will find its way into the pension funds of local authorities and nationalized industries.

The same fate will no doubt attend the extra Treasury Supplement of £450m. Even harder hit, however, seem to be the employers who decided to contract out 40 per cent of the nation's work force. In 1980-81 they will have to fund through their own schemes liabilities for pensions in the £23 to £165 a week band, respon-

sible for most of the nation's wealth producing companies and their employees; it would aim to lighten the load that the new scheme had heaped upon the unsuspecting taxpayer's weary back; and it would be a much-needed friend to those who believed, despite the Government's assurances, that the new contribution rates, that contracting out could be a viable option.

The author was formerly Director General of the Royal Institute of Public Administration.

Business Diary profile: Plain speaking from Peter Green of Lloyd's

If Ian Findlay, Lloyd's last chairman, had one of the toughest terms of office in the market's 300-year history, his successor, Peter Green, faces a still tougher ride. The difference, however, is that unlike Findlay, the 55-year-old Green knew exactly what he was letting himself in for when he took on the treppings of office at the beginning of this month.

A whole series of scandals and disputes, among them the notorious Savonaia affair and the financial disaster involving the Sasse syndicate, all conspired to break almost before Findlay had time to settle into the chair.

On top of that the huge American insurance broking groups chose just this time to make what seemed a concerted attack on the market's rules covering involvement of foreign firms.

Now thanks in no small part to Findlay's efforts, the major problems besetting the market have at least been identified. It falls to Green to help find the solutions and carry them through. Traditionally in the market see him as the right man for the job. Tough, uncompromising, even a shade bullying, he is by all an "underwriter" through and through. This is of no mean importance in some sections of the market, where the appointment of Findlay, a broker—and there, in the eyes of some of the old guard, a lower form of life—ranked noticeably.

The old guard treasures the exclusivity of its "club" and doesn't relish the lower orders barging through the green beise door. Whatever Green thinks, he does not publicly subscribe to the view that broking intermediaries must be kept at arm's length and is indeed himself on the board of Hog Robinson, a leading Lloyd's broking firm. Nonetheless, he sees the market's dilemma over exactly how much power the brokers should be allowed to wield in the market place as one of the most serious problems confronting him and his committee.

Last week found him wading through a welter of documentation and press cuttings on the proposed bid for British broker, C. T. Bowring, from the American giant Marsh & McLennan as if in search of the key to an insoluble riddle.

The problem is that if it lets all and sundry into its market place, Lloyd's may see its way of doing things largely by word of mouth come under intolerable pressure. If it does not give in to American takeover ambitions, however, it risks incuring the wrath of providers of almost £2,000m a year of insurance business.

If Green has found the key he is not telling. "If it were just a case of Marsh bidding for Bowring in isolation there would be no problem, but there are others around who want to get into the market and some of them are rapists", he said.



Peter Green: a penchant for the robust language of an underwriter.

Whatever the outcome—and a working party is expected to come up with some sort of answer by April—observers of the Lloyd's scene are expecting a fairly entertaining two years with Green in the chair.

Like some of Lloyd's less recent chairmen he has a deadpan sense of humour and a penchant for the robust language of an underwriter.

is the only person in the house. As an underwriter in the market, like his father before him, Green thinks problems like the Sasse affair represent nothing new and is openly hostile to press suggestions that the market's current problems are a significant threat to the Lloyd's establishment.

Referring to the Sasse syndicate losses of £20m and potential computer leasing losses of perhaps as much as £150m, he said: "Back in 1906 the San Francisco earthquake cost us \$100m. That's about a billion dollars in today's money and we came through that one all right."

He is however deeply concerned about suggestions that moral standards have noticeably slipped in recent years and says he is determined to return the market to its old values through education and discipline.

"The only other alternative would be for all the underwriters to sit with tape recorders in their boxes recording every conversation and that would not be practicable."

In a year in which the Lloyd's chairmanship will be particularly onerous it is ironic that one of the chief perks of the chair—honorary membership of the Royal Yacht Squadron—will mean little to Green.

A one-time keen ocean racer he has taken keenness of the squadron for years.

Richard Allen

The British Bank of the Middle East

A Member of The Hongkong Bank Group

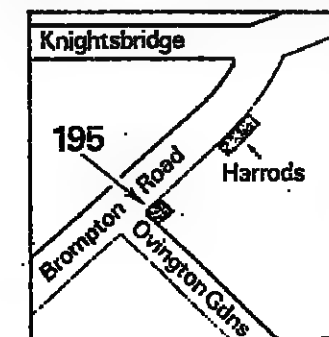
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Telephone: 01-638 2366
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and at
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London W1Y 8AA
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Telex: 275-44

MARKET REPORTS

Charterers hold back till market clarifies

The United States embargo on the sale of grain to Russia dominated all other events in the freight market last week. Confusion reigned in the dry cargo market with a black cloud of uncertainty hanging over business transactions resulting in charterers and brokers hanging back from committing tonnage until the picture becomes a little clearer.

The United States dockers' decision not to load grain even though the United States is now subject to a court injunction. President Carter allowed some 3.8m tonnes of grain to be shipped under the terms of the five-year agreement between the two countries have been also extends to a further 14m tonnes purchased by the Soviet Union and which the United States has now offered to sell.

Support from other major grain producers to the ban has been forthcoming with the exception of Argentina. However, Argentina's surplus is small so this will still leave a sizable gap in Russia's imports.

ports.

Freight report

Having chartered in a substantial volume of tonnage to cover grain shipments with some vessels reportedly booked through till next summer, the USSR was making strong efforts to back-out of some of its commitments by claiming force majeure. However, owners without the prospect of immediate alternative remunerative employment were resisting such efforts.

The overall effect on the market of all these happenings was that rates declined. Charterers had the incentive to quote lower prices, but again owners were reluctant to accept any falls.

Grain rates slipped back by around \$2 with \$15 now being paid for large shipments from the United States Gulf to Holland.

David Robinson

More share prices

The following will be added to the London and Regional Share Price List tomorrow and will be published daily in Business News.

**Commercial & Industrial
Glasgow Pavilion Ltd**

Bank Base Rates

ABN Bank	17%
Barclays Bank	17%
BCCI Bank	17%
Consolidated Crdts	17%
C. Hoare & Co *	17%
Lloyds Bank	17%
London Mercantile	17%
Midland Bank *	17%
Nar Westminster.. ..	17%
Rossminster	17%
TSB	17%
Williams and Glyn's ..	17%

Wall Street

New York, Jan. 11.—Stock prices ended mixed on Friday in trading that slowed markedly from Thursday's pace during the afternoon.

The Dow Jones industrial average was down 0.43 to 858.53. It had been off five points in the afternoon and up nearly that much in the morning.

New York stock exchange volume was a healthy 52,890,000 shares, down from 55,980,000 on Thursday.

Analysts feel the market has been acting well rochevly and the downturn, while partially because of the approach of the weekend "could also show the market had gone ahead of itself," one analyst said.

[illegible]

Because of transmission difficulties not all closing prices were available:

COPPER: Comex

March, 182.75c-183.25c; May, 184.75c-185.75c; Sept., 185.75c-186.75c; Dec., 186.63c; March, 181.50c; May, 179.00c.

SUGAR.—March,	16.66-16.70c;	May,
16.66c;	July,	16.70-16.71c;
16.74c;	Oct.	16.70-16.71c;
16.75c;	March,	16.79-16.82c;
16.74-16.78c;		May,
COTTON.—March,	75.00-75.10c;	
May	77.45-77.80c;	July,
78.60c;	Oct.	74.50c;
79.50c;	March,	74.60-74.00c;
		Dec.
		72.60-

Issues lack usual spurt

The Eurobond market has so far failed to produce its usual spurt of new issue activity in January, writes AP Dow-Jones. Instead it has produced a series of personnel changes that could represent a shift in fortunes among firms observing the

Kidder Peabody International, which has encountered an exodus of personnel for more than a year, lost its chairman and chief executive, Mr. Hans Rudloff, this week.

The Swiss banker is joining Credit Suisse-Firer Boston to

Credit Suisse-First Boston to assume as yet unspecified tasks. However, according to associates, he will be responsible for developing new areas of business.

According to certain executives at Kidder Peabody International, morale in the London-based firm remains low. These insiders say that executives have not only had to cope with

US \$ STRAIGHTS		Offer price	Redptn yield
Citicorp	6 3/4, 1980	95 1/2	12.76
EEC	8 1/2, 1982	95 1/2	11.27
Beatrice	8 1/2, 1983	95 1/2	11.27
Beatrice	8 1/2, 1983	95 1/2	11.79

J. C. Penney 9%, 1983	90%	11.78
Eurofina 7%, 1984	90%	11.78
Finco 7%, 1984	93%	12.42
Norway 9%, 1984	93%	11.46
Penwalt 9%, 1984	92%	11.89
Dominion Bridge 10%, 1984	95%	11.58
Warner Lambert 9%, 1984	91%	11.46
W.R. Hambrecht 9%, 1984	90%	11.43
Sweden 9%, 1984	93%	12.54
Export Development Corp 9%, 1984	93%	11.49
Australia 7%, 1984	85%	11.58
Deutsche 8%, 1984	88%	11.78
BNCF 8%, 1984	89%	11.53
Finland 9%, 1986	85%	12.49
EDF 9%, 1986	91%	12.46
France 9%, 1986	97%	12.46

Euromarkets

traus Turnbull and Company, a private equity "Sequester" European operations and possibly an interest in the London brokerage firm as well. Julian Strauss, a senior partner of the New York-based firm, confirmed that discussions were taking place. However, he said that any disclosures would be premature.

[illegible]

MAC 1986	99	11.72	National Westminster	98	14.00
MAC 1987	99	11.72	Swedish 1987	98	14.00
Macquarie 1986	98	11.67	Kingdom of Sweden 1986	98	14.00
Macquarie 1987	98	11.67	Macquarie 1987	98	14.00
Macquarie 1988	98	11.67	Macquarie 1988	98	14.00
Macquarie 1989	98	11.67	Macquarie 1989	98	14.00
Macquarie 1990	98	11.67	Macquarie 1990	98	14.00
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Macquarie 1994	98	11.67	Macquarie 1994	98	14.00
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Macquarie 1996	98	11.67	Macquarie 1996	98	14.00
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Macquarie 2000	98	11.67	Macquarie 2000	98	14.00
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Macquarie 2002	98	11.67	Macquarie 2002	98	14.00
Macquarie 2003	98	11.67	Macquarie 2003	98	14.00
Macquarie 2004	98	11.67	Macquarie 2004	98	14.00
Macquarie 2005	98	11.67	Macquarie 2005	98	14.00
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Macquarie 2018	98	11.67	Macquarie 2018	98	14.00
Macquarie 2019	98	11.67	Macquarie 2019	98	14.00
Macquarie 2020	98	11.67	Macquarie 2020	98	14.00
Macquarie 2021	98	11.67	Macquarie 2021	98	14.00
Macquarie 2022	98	11.67	Macquarie 2022	98	14.00
Macquarie 2023	98	11.67	Macquarie 2023	98	14.00
Macquarie 2024	98	11.67	Macquarie 2024	98	14.00
Macquarie 2025	98	11.67	Macquarie 2025	98	14.00
Macquarie 2026	98	11.67	Macquarie 2026	98	14.00
Macquarie 2027	98	11.67	Macquarie 2027	98	14.00
Macquarie 2028	98	11.67	Macquarie 2028	98	14.00
Macquarie 2029	98	11.67	Macquarie 2029	98	14.00
Macquarie 2030	98	11.67	Macquarie 2030	98	14.00
Macquarie 2031	98	11.67	Macquarie 2031	98	14.00
Macquarie 2032	98	11.67	Macquarie 2032	98	14.00
Macquarie 2033	98	11.67	Macquarie 2033	98	14.00
Macquarie 2034	98	11.67	Macquarie 2034	98	14.00
Macquarie 2035	98	11.67	Macquarie 2035	98	14.00
Macquarie 2036	98	11.67	Macquarie 2036	98	14.00
Macquarie 2037	98	11.67	Macquarie 2037	98	14.00
Macquarie 2038	98	11.67	Macquarie 2038	98	14.00
Macquarie 2039	98	11.67	Macquarie 2039	98	14.00
Macquarie 2040	98	11.67	Macquarie 2040	98	14.00
Macquarie 2041	98	11.67	Macquarie 2041	98	14.00
Macquarie 2042	98	11.67	Macquarie 2042	98	14.00
Macquarie 2043	98	11.67	Macquarie 2043	98	14.00
Macquarie 2044	98	11.67	Macquarie 2044	98	14.00
Macquarie 2045	98	11.67	Macquarie 2045	98	14.00

Euromarkets

[illegible][illegible]

BOC	8	Ln	'98-2003	49	45	2nd	'85-90
BOC	Int	3 rd	Deb	'81-	83 rd	79 th	Lucas
86							Ind 7 th
							MEPC
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56-51	57-52	58-53	59-54	60-55	61-56	62-57	63-58	64-59	65-60	66-61	67-62	68-63	69-64	70-65	71-66	72-67	73-68	74-69	75-70	76-71	77-72	78-73	79-74	80-75	81-76	82-77	83-78	84-79	85-80	86-81	87-82	88-83	89-84	90-85	91-86	92-87	93-88	94-89	95-90	96-91	97-92	98-93	99-94	100-95	101-96	102-97	103-98	104-99	105-100	106-101	107-102	108-103	109-104	110-105	111-106	112-107	113-108	114-109	115-110	116-111	117-112	118-113	119-114	120-115	121-116	122-117	123-118	124-119	125-120	126-121	127-122	128-123	129-124	130-125	131-126	132-127	133-128	134-129	135-130	136-131	137-132	138-133	139-134	140-135	141-136	142-137	143-138	144-139	145-140	146-141	147-142	148-143	149-144	150-145	151-146	152-147	153-148	154-149	155-150	156-151	157-152	158-153	159-154	160-155	161-156	162-157	163-158	164-159	165-160	166-161	167-162	168-163	169-164	170-165	171-166	172-167	173-168	174-169	175-170	176-171	177-172	178-173	179-174	180-175	181-176	182-177	183-178	184-179	185-180	186-181	187-182	188-183	189-184	190-185	191-186	192-187	193-188	194-189	195-190	196-191	197-192	198-193	199-194	200-195	201-196	202-197	203-198	204-199	205-200	206-201	207-202	208-203	209-204	210-205	211-206	212-207	213-208	214-209	215-210	216-211	217-212	218-213	219-214	220-215	221-216	222-217	223-218	224-219	225-220	226-221	227-222	228-223	229-224	230-225	231-226	232-227	233-228	234-229	235-230	236-231	237-232	238-233	239-234	240-235	241-236	242-237	243-238	244-239	245-240	246-241	247-242	248-243	249-244	250-245	251-246	252-247	253-248	254-249	255-250	256-251	257-252	258-253	259-254	260-255	261-256	262-257	263-258	264-259	265-260	266-261	267-262	268-263	269-264	270-265	271-266	272-267	273-268	274-269	275-270	276-271	277-272	278-273	279-274	280-275	281-276	282-277	283-278	284-279	285-280	286-281	287-282	288-283	289-284	290-285	291-286	292-287	293-288	294-289	295-290	296-291	297-292	298-293	299-294	300-295	301-296	302-297	303-298	304-299	305-300	306-301	307-302	308-303	309-304	310-305	311-306	312-307	313-308	314-309	315-310	316-311	317-312	318-313	319-314	320-315	321-316	322-317	323-318	324-319	325-320	326-321	327-322	328-323	329-324	330-325	331-326	332-327	333-328	334-329	335-330	336-331	337-332	338-333	339-334	340-335	341-336	342-337	343-338	344-339	345-340	346-341	347-342	348-343	349-344	350-345	351-346	352-347	353-348	354-349	355-350	356-351	357-352	358-353	359-354	360-355	361-356	362-357	363-358	364-359	365-360	366-361	367-362	368-363	369-364	370-365	371-366	372-367	373-368	374-369	375-370	376-371	377-372	378-373	379-374	380-375	381-376	382-377	383-378	384-379	385-380	386-381	387-382	388-383	389-384	390-385	391-386	392-387	393-388	394-389	395-390	396-391	397-392	398-393	399-394	400-395	401-396	402-397	403-398	404-399	405-400	406-401	407-402	408-403	409-404	410-405	411-406	412-407	413-408	414-409	415-410	416-411	417-412	418-413	419-414	420-415	421-416	422-417	423-418	424-419	425-420	426-421	427-422	428-423	429-424	430-425	431-426	432-427	433-428	434-429	435-430	436-431	437-432	438-433	439-434	440-435	441-436	442-437	443-438	444-439	445-440	446-441	447-442	448-443	449-444	450-445	451-446	452-447	453-448	454-449	455-450	456-451	457-452	458-453	459-454	460-455	461-456	462-457	463-458	464-459	465-460	466-461	467-462	468-463	469-464	470-465	471-466	472-467	473-468	474-469	475-470	476-471	477-472	478-473	479-474	480-475	481-476	482-477	483-478	484-479	485-480	486-481	487-482	488-483	489-484	490-485	491-486	492-487	493-488	494-489	495-490	496-491	497-492	498-493	499-494	500-495	501-496	502-497	503-498	504-499	505-500	506-501	507-502	508-503	509-504	510-505	511-506	512-507	513-508	514-509	515-510	516-511	517-512	518-513	519-514	520-515	521-516	522-517	523-518	524-519	525-520	526-521	527-522	528-523	529-524	530-525	531-526	532-527	533-528	534-529	535-530	536-531	537-532	538-533	539-534	540-535	541-536	542-537	543-538	544-539	545-540	546-541	547-542	548-543	549-544	550-545	551-546	552-547	553-548	554-549	555-550	556-551	557-552	558-553	559-554	560-555	561-556	562-557	563-558	564-559	565-560	566-561	567-562	568-563	569-564	570-565	571-566	572-567	573-568	574-569	575-570	576-571	577-572	578-573	579-574	580-575	581-576	582-577	583-578	584-579	585-580	586-581	587-582	588-583	589-584	590-585	591-586	592-587	593-588	594-589	595-590	596-591	597-592	598-593	599-594	600-595	601-596	602-597	603-598	604-599	605-600	606-601	607-602	608-603	609-604	610-605	611-606	612-607	613-608	614-609	615-610	616-611	617-612	618-613	619-614	620-615	621-616	622-617	623-618	624-619	625-620	626-621	627-622	628-623	629-624	630-625	631-626	632-627	633-628	634-629	635-630	636-631	637-632	638-633	639-634	640-635	641-636	642-637	643-638	644-639	645-640	646-641	647-642	648-643	649-644	650-645	651-646	652-647	653-648	654-649	655-650	656-651	657-652	658-653	659-654	660-655	661-656	662-657	663-658	664-659	665-660	666-661	667-662	668-663	669-664	670-665	671-666	672-667	673-668	674-669	675-670	676-671	677-672	678-673	679-674	680-675	681-676	682-677	683-678	684-679	685-680	686-681	687-682	688-683	689-684	690-685	691-686	692-6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Kelsey Industries Limited

Statistics from the Report of the Chairman, Mr J. G. Moss,
and the accounts for the 12 months to 30 September, 1979.

	1948/49	1949/50
Turnover	£20,097	19,076
Direct exports	8,338	7,027
Profit before tax	2,243	2,139
Profit after tax	1,051	1,158
Ordinary dividends	230	129
	(24%)	(14.4485%)
Total funds retained	1,139	1,351
Net assets	8,886	7,742
..... per share	23.3p	26.3p

Unit Trust Prices—change on the week FT Index change on week 435.2 +21.3 (5.1%)

[illegible]

DOUGLAS
**CIVIL ENGINEERING &
BUILDING CONTRACTORS**
BIRMINGHAM • CARDIFF • EDINBURGH • GLASGOW • LONDON
STOCKTON-ON-TEES • SWANSEA • WIGAN and OVERSEAS

6 Forward bargains are permitted on two previous days.

(Current market price multiplied by the number of shares in issue for the stock quoted)

RADIO

TELEVISION



WHAT THE SYMBOLS MEAN: †STEREO; *BLACK AND WHITE;
(c) REPEAT.

9.30 For Schools: 9.30 My World;
9.47 Finding Out (France); 10.05
How we Used to Live: 10.25 Start-
ing Our (brotherly love); 10.45 The
Living Room; 11.00 How we Used
to Live: 11.22 Picture Box; 11.39
Making a Living (leisure).
12.00 Jamie and the Magic Torch:
cartoon. Beside the Seaside.
12.10 Rainbow: Having fun with
snow and ice.
12.30 Numbers at Work: Adult edu-
cation series. Fred Harris makes the
point.
1.00 News: with Peter Sissons. 1.2
Thames News: with Robin Hous-
ton.
1.30 About Britain: Shop! The
great glass bubble that is Milton
Keynes's Eden shopping complex.
2.00 Shop: Wine and Friends: Film
about Italy and Robert Carrier

demonstrates ways to prepare pasta dishes.

2.30 Film: *Sands of the Desert*—A new recording, British comedy with Charlie Drake as a travel agency clerk.

3.00 *Copperhead*—Chris Kelly shows how to make the new Las Vegas film, the Peter Sellers comedy *The Prisoner of Zenda* and Jack Nicholson's *Chinatown*.

4.45 *The Evilised Thing*: episode 3 of this costume drama.

5.15 *Money-Go-Round*: Consumer magazine with reviews of new car types of frauds and swindles, freedom of information, and robots in the home.

5.45 News. 5.50 Thames News.

6.35 *Crossroads*: the motel series.

7.00 *Give Us a Clue*: Charlene can help you find out the answers to *Use Stubs* and Norman Vaughan as team captains.

7.30 *Coronation Street*: A black and white comedy about the factory girls' trip to France.

8.00 **Keep It In the Family:** Comedy about two daughters who move into their parents' home and the father (Robert Gelpi) and the mother (Barbara Harris) on the scene.

8.30 **World in Action:** Like tonight's Panorama, this edition deals with the Kampuchea food crisis and the crisis (see Personal Choice).

9.00 **Minder: The Dessert Song.** Terry (Dennis Waterman) and his friends are involved in a war between restaurant owners.

9.30 **10.15** **Movie:** *Barry Lyndon* (1975).

10.30 **Film:** *Zulu* (1963) Spectacular drama about the battle of Rorke's Drift in 1879, when 100 British soldiers held off 4,000 Zulus. With Stanley Baker, Jack Hawkins, Michael Balfour, and James Booth, and John Barry, who did the music.

1.00 **am Closedown:** Poems, read by Rosalie Crutchley.

5.15 Film: East of Sudan, Anthony Dangle
5.15 University Challenge. 6.00 Leo
around. 6.15 Cooking with Tove
10.30 Film: Castle Keep (Burt Lancaster).

HTV WEST: As General Service exc

Dick Tracy 5.20 Crossroads 6.00 D
 Ry Day, 10.30 News, 10.35 Op
 Dars 11.05 Kar 12.00 Farm Progr
 12.30 am Weather, followed by To
 Grief and Total Joy.

5.15 Film: East of Sudan, Anthony Dangle
5.15 University Challenge. 6.00 Leo
around. 6.15 Cooking with Tove
10.30 Film: Castle Keep (Burt Lancaster).

HTV WEST: As General Service exc

Dick Tracy 5.20 Crossroads 6.00 D
 Ry Day, 10.30 News, 10.35 Op
 Dars 11.05 Kar 12.00 Farm Progr
 12.30 am Weather, followed by To
 Grief and Total Joy.

SERVICES

ing and 1. Concert and
ring occasions. Mickey
01-699 8909.

[illegible][illegible][illegible]

WANTED.

M. GOLD. SILVER.
Wanted, Call of send for
to Jewellers, Dept 1,
Saffron Hill, off Hat-
terden, E.C.1. 01-2412

—All makes wanted. Jar-
mans. 873 1828


BOOKCASES. old desks, mir-
rors, London. 01-254

OFF-PRICE. genuine coun-
tymen by collector write
Dept 7 The Times

—Silent piano keyboard
agencies. Rhine-alier 6, 141

BOOKCASES. old desks,
London. 01-254

(continued on page 22)



NOTICE

All advertisements are subject to the conditions of acceptance of Times Newspapers Limited, copies of which are available on request.

BOOKCASES, old *books*,
bought Mr Fenton. 01-223

CLASSIFIED ADVERTISING STARTS HERE

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For more details, please refer to the Times, P.O. Box 1, London, W1A 1AA.

To place an advertisement in any of these categories, see

PRIVATE ADVERTISERS ONLY

APPOINTMENTS

PROPERTY ESTATE AGENTS

PERSONAL TRADE

MANCHESTER OFFICE

01-634 1234

Queries in connection with advertisements that have appeared, other than cancellations or alterations, let

Classified Services Department

01-637 1234, ext. 789

All advertisements are subject to the conditions of acceptance of Times Newspapers Limited, copies of which are available on request.

HOW effective is the

lovingkindness of God in

their lives, under the shadow of

their wings. Psalm 25: 7.

BIRTHS

On January 10, 1980, the

children of Mr. and Mrs. John

and Mrs. Mary, of 10, The

children of Mr. and Mrs. John

and Mrs. Mary, of 10, The

children of Mr. and Mrs. John

and Mrs. Mary, of 10, The

children of Mr. and Mrs. John

and Mrs. Mary, of 10, The

children of Mr. and Mrs. John

and Mrs. Mary, of 10, The

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and Mrs. Mary, of 10, The

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children of Mr. and Mrs. John

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ANNOUNCEMENTS

CANCER RESEARCH

The scientific understanding of cancer is the one most basic of all clinical progress. Will you help to increase this understanding? Will you help to increase this understanding? Will you help to increase this understanding?

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